INTERIM FINANCIAL REPORT

30 JUNE 2016

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Consolidated key figures

Financial highlights of the first half of 2016 were as follows:

in €m	**H1 2015 restated[(1)]**	**H1 2016**	Change (%)
Consolidated net sales	**21,581**	**19,673**	-8.8%
Gross margin	**5,203**	**4,808**	-7.6%
EBITDA[(2)]	**801**	**670**	-16.3%
Net depreciation and amortisation	**(413)**	**(353)**	+14.4%
Trading profit	**388**	**317**	-18.4%
Other operating income and expenses	**72**	**(533)**	n.m.
Net financial expense, o/w:	**(392)**	**(221)**	+43.7%
Finance costs, net	**(91)**	**(136)**	-48.7%
Other financial income and expenses	**(301)**	**(85)**	+71.8%
Profit (loss) before tax	**68**	**(437)**	n.m.
Income tax benefit	**54**	**19**	-64.6%
Share of profit of equity associates	**37**	**18**	-50.3%
Net profit (loss) from continuing operations	**159**	**(400)**	n.m.
o/w Group share	**17**	**(296)**	n.m.
Attributable to minority interests	**142**	**(104)**	n.m.
Net profit from discontinued operations	**101**	**2,900**	n.m.
o/w Group share	**62**	**2,877**	n.m.
Attributable to minority interests	**39**	**24**	-39.7%
Consolidated net profit	**260**	**2,501**	n.m.
o/w Group share	**79**	**2,581**	n.m.
Attributable to minority interests	**181**	**(80)**	n.m.
Underlying net profit (loss), Group share[(3)]	**6**	**(3)**	-145.7%

(1) Data for H1 2015 have been restated to reflect the impact of the sale of the Asia segment, they are also restated of the cost related to receivables mobilisation and Disco price finalisation
(2) EBITDA = trading profit before depreciation and amortisation expense
(3) Underlying net profit corresponds to net profit from continuing operations adjusted for the impact of other operating income and expenses, the impact of non-recurring financial items, and non-recurring income tax expense/benefits (see appendix).

Highlights

- On **15 January 2016**, Standard & Poor’s decided to update its assessment of Casino's credit against the backdrop of challenging macroeconomic conditions in emerging markets and the recession in Brazil. As a result, the agency placed the Group's BBB- credit rating under CreditWatch Negative.

- On **7 February 2016**, Casino announced that it had signed a contract to sell its stake in Big C Supercenter PCL, listed in Thailand ("Big C"), for €3.1bn (excluding debt) to TCC Group, one of the leading conglomerates in Thailand, with operations in retail, trade, industry, food and beverages, finance and insurance, property and agro-food.

- On **21 March 2016**, Standard & Poor's reduced Casino's credit rating of one notch to BB+; Outlook Stable after having confirmed Casino’s BBB-; Outlook Stable credit rating on 11 December 2015 and beginning a review of the Group's credit position on 15 January 2016.

- On **21 March 2016**, Casino sold its interest in Big C Supercenter PCL to TCC subsidiary BJC. The disposal proceeds, in an amount of €3.1bn, allowed the Group to reduce its debt by €3.3bn with a capital gain of €2.4bn.

- On **29 April 2016**, Casino announced that it had sold Big C Vietnam to the Central group for an enterprise value of €1bn, representing 2015 multiples of 1.8 x sales, 20.4 x EBITDA and 34.4 x EBIT. The proceeds of the disposal received by the Group amounted to €920m.

- On **3 May 2016**, Casino exercised its call option on all of the €500m convertible bonds issued by Monoprix in December 2013 and subscribed by Credit Agricole CIB.

- On **12 May 2016**, Casino group announced its plan to launch a voluntary tender offer for the outstanding ordinary shares of Cnova N.V. ("Cnova") held by the public (namely the shares not held by the Group) for a price of $5.50 per share. This represents a maximum outlay of around $196m. The same day, Cnova and Via Varejo S.A. ("Via Varejo") announced plans to merge Cnova's Brazilian business with Via Varejo. Once the project is completed, Cnova would exclusively own Cdiscount.

- On **25 May 2016**, Casino and the Baud Family came to a financial agreement to end their legal dispute, which had been ongoing in the Paris courts since 2007.

- On **6 June 2016**, Casino launched a tender offer on notes maturing in January 2023, February 2025 and August 2026.

- On **13 June 2016**, the tender offer allowed Casino to buy back €134.2m worth of bonds maturing in January 2023, €158.2m worth maturing in February 2025 and €245.0m worth maturing in August 2026, for a cumulative nominal amount of €537.4m.

Business review

The comments contained in the Interim Financial Report reflect comparisons with first-half 2015 continuing activities figures, i.e. restated for the impact of the disposal of the Asia activities, in accordance with the IFRS 5 standard. Organic and same-store changes exclude fuel and calendar effects.

Main changes in the scope of consolidation and associated effects:
In the first half of 2016, changes in the scope of consolidation primarily concerned Franprix and Leader Price stores sold to master franchisers.

Currency effects:
Currency effects were again negative, with the Colombian peso and Brazilian real declining significantly against the euro (by an average -20.4% and -19.8%, respectively).

Continuing operations (in €m)	**H1 2015 restated**	**H1 2016 at CER[1]**
Consolidated net sales	**21,581**	**22,121**
EBITDA	**801**	**773**
Trading profit	**388**	**379**

- First-half 2016 was shaped by:
  - A continued recovery in France, with:
    - Progression in activity: same-store sales up +0.9%, excluding fuel and calendar effects in H1 2016
    - Further market share gains
    - Improved results: trading profit of €85m in H1 2016 versus -€53m in H1 2015
  - Sustained good performances in Colombia, Argentina and Uruguay
  - Improved sales in Brazil:
    - Stepped-up development of cash & carry
    - The initial results of Multivarejo's commercial relaunch plan which weighed on profitability
    - Stabilisation in activity at Via Varejo since Q2 2016
  - A project of simplifying the organisation for the Group's E-commerce activities
  - Rapid execution of the asset disposal plan, which exceeded objectives by delivering proceeds of €4.2bn as of end-April from:
    - The disposal of operations in Thailand in March 2016
    - The disposal of operations in Vietnam in April 2016
  - A sharp decline in Casino's net financial debt in France
    - Net financial debt in France amounted to €4.0bn at 30 June 2016 versus €8.5bn at 30 June 2015
    - A total of €1.5bn was employed in the first-half to pay down gross debt and in connection with exercise of the call option on the Monoprix convertible bonds
  - The impact on first-half earnings of:
    - The disposal of operations in Asia
    - The economic slowdown in Brazil, notably in non-food activities
    - Latin American currency effects
  - Net profit, Group share amounted to €2.6bn related to capital gains from Asia's disposal

[1] *CER : constant exchange rate*

- First-half consolidated net sales were down -8.8% at current exchange rates and up +2.5% at CER (constant exchange rates). Changes in the scope of consolidation had a negative impact of -0.2% (excluding fuel, which accounted for -0.2%), while exchange rate fluctuations had a negative impact of -11.3%.

- Sales excluding fuel and calendar effects grew organically by +2.7%:

    - In France, organic sales growth (excluding fuel and calendar effects) stood at +2.0%. The recovery was confirmed in France by recurring market share gains:
        - Géant Casino reported steady growth in sales and the banner continued to gain market share
        - Leader Price saw strong deployment of the franchise network, with higher sales over the period
        - The Group's other banners reported a satisfactory performance

    - Food retail sales in Latin America showed strong organic growth of +10.0% in the first half excluding fuel and calendar effects, driven by improved sales in Brazil and a sustained good performance across all countries

    - Via Varejo's sales were down, but have stabilised since Q2 2016 (organic growth excluding fuel and calendar effects of +0.3% in Q2)

    - Organic growth in E-commerce was down in H1 2016, with a good performance from Cdiscount and a sharp decrease at Cnova Brazil

- Group trading profit in H1 2016 amounted to €317m versus €388m in H1 2015 restated, representing a decrease of -2.4% at constant exchange rates. Trading profit improved sharply in France, but declined by -10.9% at Latam Retail and by -35.1% at Latam Electronics at constant exchange rates. The currency effect was negative at -€62m.

    - In France, trading profit rose sharply to €85against -€53m in H1 2015, thanks in particular to a strong improvement in the profitability of food retail operations.

    - Latam Retail trading profit was down year-on-year at €212m. Operations in Colombia, Argentina and Uruguay turned in a satisfactory performance. In Brazil:
        - Multivarejo sales margin increased after taking into account tax credits (positive effect of +250bp in Q2 2016[1])
        - Assaí posted an improvement of its operational leverage
        - Cost reduction plans were launched during the first half of 2016

    - Latam Electronics trading profit decreased in comparison to H1 2015 to €100m. The gross margin is impacted by tax credits and tax changes (two of them with a positive effect of +770bp on gross margin and the third one with a negative effect of -240bp on EBITDA margin in Q2 2016[1]).Via Varejo is pursuing its cost-reduction plans.

    - The E-commerce segment recorded a trading loss in H1 2016. While Cdiscount saw an upturn in profitability, Cnova Brazil continued to be impacted by contracting sales.

- Trading margin narrowed slightly, by -19bp in all, to 1.6%. Compared with the prior year period:
    - France Retail trading margin improved to 0.9%.
    - Latam Retail trading margin contracted to 3.1%.
    - Latam Electronics trading margin narrowed to 4.6%.
    - E-commerce trading margin was down at -5.7%.

[1] *Information communicated by the subsidiaries*

FRANCE RETAIL

(in € millions)	**H1 2015 reported**	**H1 2016**
Net sales	**9,136**	**9,264**
EBITDA	**146**	**267**
EBITDA margin	*1.6%*	*2.9%*
Trading profit	**(53)**	**85**
Trading margin	*(0.6%)*	*0.9%*

The France Retail segment recorded sales of €9,264m in the H1 2016 versus €9,136m in H1 2016. On an organic basis excluding fuel and calendar effects, sales were up +2.7%.

EBITDA of the segment rose posted a substantial improvement in H1 2016 at €267m (+83.2%).
EBITDA margin widened by +128bp, to 2.9% in H1 2016.

France Retail trading profit increased significantly to €85m. With a trading profit of €35m versus a trading loss of €134m in H1 2015, the food retail business improved during the period, notably at Géant, Leader Price and Casino Supermarkets. The Monoprix and Franprix banners achieved satisfactory profitability. Property development trading profit stood at €49m, versus €81m H1 2015, related to the recognition of profits using the percentage of completion method for hypermarket conversion projects and the sale of projects at Monoprix sites (St Germain-en-Laye and La Garenne Colombes). Highlights by format were as follows:

- At **Géant Casino**[(1)], the semester was marked by confirmed growth. The banner continued good sales trend with sales up +3.1% on an organic and same-store basis excluding fuel and calendar effects. Traffic showed a sustained increase (+6.2% over a two-year period in Q2 2016). The banner continued to gain market share (+0.1pt cumulative year-to-date according to Kantar P07 data). Géant Casino[(1)] posted good commercial dynamics, with changes in the food and non-food offering, faster check-out and more consistent merchandise availability.
- At **Leader Price**, H1 2016 sales rose by +3.1% on a same-store basis and by +4.2% on an organic basis (excluding fuel and calendar effects). Traffic was up +5.6% over a two-year period in Q2 2016. Leader Price maintained its strong marketing momentum, with very low prices, continuously improved in-store service and growth in sales per square metre. The banner's market share was up (+0.1pt cumulative year-to-date according to Kantar P07 data).
In addition, Leader Price stepped up deployment of the franchise network over the period, with half of the network operating as franchises by the end of Q2 2016, versus 22% as of end-June 2015.
- **Monoprix** achieved organic sales growth of +1.5% over the first half excluding fuel and calendar effects. Food and apparel sales held up well despite unfavourable weather and a decline in tourist activity in Paris. The banner's expansion was very dynamic, with 36 new stores opened during the period.
- **Casino Supermarkets** sales rose by +0.6% on a same-store basis and by +2.5% on an organic basis (excluding fuel and calendar effects), lifted by expansion (11 stores opened since Q3 2015) and the performance of franchises. Traffic was up +1.3% over a two-year period and +1.9% in Q2 2016. The banner is successfully pursuing its marketing and operational action plans.
- **Franprix** reported consistently stable same-store sales over the first half. The banner continued to roll out the new Mandarine concept, which has delivered strong growth and outperformed the other stores. In Q2 2016, 44% of the store network had been renovated with the new concept and the percentage is expected to rise to 58% by year end.
- **Convenience** continued to improve its offering and in-store services, by developing new services and updating assortments, while also rationalising the store base with new openings, conversions into franchises and work to bring existing stores into line with the new concepts.

[(1)] *Excluding business primarily from the four Codim hypermarkets in Corsica*

LATAM RETAIL

(in € millions)	H1 2015 reported	H1 2016 at CER	H1 2016
Net sales	**7,803**	**8,607**	**6,836**
EBITDA	**459**	**427**	**340**
EBITDA margin	*5.9%*	*5.0%*	*5.0%*
Trading profit	**299**	**267**	**212**
Trading margin	*3.8%*	*3.1%*	*3.1%*

Latam Retail sales amounted to €6,836m in H1 2016 (€8,607m at constant exchange rates).

In Brazil, GPA food sales showed strong organic growth of +7.8% in Q1 and +11.4% in Q2 (excluding fuel and calendar effects). Hypermarkets accounted for 30% of total Group sales, cash & carry 33% and premium banners 37%, together representing a contribution to Casino of €4,751m. In all, nine stores were opened in H1 2016 (7 at Multivarejo and 2 at Assaí).

- At Extra, the period was shaped by the initial success of the banner's new sales strategy
- Assaí turned in a very good commercial performance, with a sharp increase in same-store sales and in traffic
- Pão de Açúcar's market share was stable over the semester and convenience posted solid sales growth and continuous market share gains

Exito (excluding Brazil) enjoyed excellent momentum in the H1 2016. The Group achieved solid growth in organic sales, which rose by around +11% excluding fuel and calendar effects.

- In Colombia, the good sales performance was driven by the hypermarket revitalisation programme. A total of 264 stores were opened during the period, of which 257 Aliados Surtimax outlets (gross opening)
- Argentina and Uruguay continued to post sustained levels of sales

EBITDA for Latam Retail declined by -7% at constant exchange rates due to the impact of Extra's revamped sales policy in Brazil.

Latam Retail trading profit (€212m) posted a decrease of -10.9% at CER
In Brazil:

- Multivarejo continued commercial relaunch plans at Extra in Q2 2016. General costs growth was slower than inflation thanks to cost management plans. Sales margin improved following the recognition of tax credits (positive effect of +250bp in Q2 2016[(1)]). Pão de Açucar maintained a high level of profitability and proximity registered a gradual improvement of its profitability.
- Assai posted an improved operating leverage with a stable gross margin excluding the effect of tax credits).

Operations in Colombia, Uruguay and Argentina all turned in a satisfactory operational performance.

Trading margin stood at 3.1%.

[(1)] *Information communicated by the subsidiary*

LATAM ELECTRONICS

(in € millions)	**H1 2015 reported**	**H1 2016 at CER**	**H1 2016**
Net sales	**2,924**	**2,722**	**2,182**
EBITDA	**226**	**156**	**125**
EBITDA margin	*7.7%*	*5.7%*	*5.7%*
Trading profit	**191**	**124**	**100**
Trading margin	*6.5%*	*4.6%*	*4.6%*

The Latam Electronics segment achieved H1 2016 sales of €2,182m, or €2,722m at constant exchange rates. Via Varejo's sales stabilised in local currency since Q2 2106, with organic growth of +0.3% excluding fuel and calendar effects (compared to -12.7% in Q1 2016). Same-store sales excluding fuel and calendar effects rose by +2.6% in Q2 2016 (compared to -11.8% in Q1 2016).

Via Varejo's sales improved since Q2 2016 thanks to banner conversions, growth in mobile phone sales, an improved merchandise offering and growth in services.
The banner continued to gain market share both by category (+150bp) and in the overall market (+220bp) April and May 2016, thus returning to historic highs.

Latam Electronics EBITDA came to €125m in H1 2016 (€156m at constant exchange rates), declining due to an unfavourable basis of comparison.

Latam Electronics trading profit stood at €100m, down -35% at constant exchange rates.

Gross margin was impacted by tax credits and tax changes (two of them with a positive effect of +770bp on gross margin and the third one with a negative effect of -240bp on EBITDA margin in Q2 2016 [(1)]).

Via Varejo continued its operational plans launched in 2015: improvement of product offering, of service and reinforced costs control.

[(1)] *Information communicated by the subsidiary*

E-COMMERCE (CNOVA)

(in € millions)	**H1 2015 reported**	**H1 2016 at CER**	**H1 2016**
EBITDA	**(35)**	**(30)**	**(62)**
o/w France	(25)	(20)	1
o/w Brazil	(10)	(10)	(63)
Trading profit (loss)	**(55)**	**(50)**	**(80)**
o/w France	(36)	(31)	(10)
o/w Brazil	(20)	(19)	(70)

Cnova sold its Asian sites and discontinued operations in 3 countries in H1 2016.

In **France:**

Cdiscount sales were sustained with +13.7% growth on an organic basis excluding fuel and calendar effects.
The marketplace expanded rapidly, with nearly 9,500 sellers as at 30 June 2016.
Half of traffic is now carried out via mobile devices.
Cdiscount has rolled out new innovative services, such as same-day delivery for packages over 30kg and Sunday delivery as well.

Cdiscount's profitability improved over the period, with EBITDA rising to €1m versus -€25m in H1 2015 (-€20m restated). The trading loss narrowed to-€10m from -€36m in H1 2015 (-€31m restated).

In **Brazil**:

Cnova Brazil's sales continued to be impacted by the country's economic environment.
The marketplace continued to expand satisfactorily, with over 3,500 sellers as at 30 June 2016.
Cnova Brazil reported strong growth in traffic and sales via mobile devices.
Different action plans (for example to improve merchandise availability or migrate back office IT systems), began to produce results.

Cnova Brazil's profits were affected by the decrease in sales. The unit has launched a cost-reduction plan.

Comments on the Group's consolidated financial statements

Pursuant to Regulation (EC) 1606/2002 of the European Union of 19 July 2002, the Casino Group’s financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) as adopted by the European Union on the date that the financial statements are approved by the Board of Directors, and applicable on 30 June 2016.
These standards are available on the European Commission's website (http://ec.europa.eu/internal_market/accounting/ias/index_en.htm).

The accounting methods described in the consolidated financial statements' appendices have been applied continuously across the periods presented in the consolidated financial statements, after taking into account the new standards and interpretations. These amendments had no material impact on the Group's statement of profits or financial position.

Sales

Consolidated net sales for H1 2016 amounted to €19,673m, versus €21,581m for H1 2015, a decline of -8.8%.
Changes in the scope of consolidation had a negative impact of -0.2%. The currency effect was unfavourable at -11.3%.
A more detailed review of changes in sales can be found above in the review of each of the Group’s four business segments.

Trading profit

Trading profit amounted to €317m in H1 2016, down -18.4% from the restated H1 2015 figure (€388m).
Changes in scope of consolidation had a positive +2.6% impact, while the currency effect was negative at -15.9%.
Restated for these impacts, organic trading profit was down -5.1%.
A more detailed review of changes in trading profit can be found above in the comments on the activity of each of the Group’s four segments.

Operating profit

Other operating income and expenses amounted to a net expense of €533m in H1 2016 versus net income of €72m in H1 2015 restated.

The net expense of €533m in H1 2016 mainly reflected:
- €18m of disposal of assets result (excluding Asia)
- Restructuring provisions and expenses totalling €144m, of which €113m in France and €25m in Brazil
- Provisions and expenses for taxes, contingencies and litigation totalling €78m, mainly for Brazil (€71m)
- Net expenses related to changes in the scope of consolidation for €118m, primarily stemming from FPLP transactions in France (€71m) and transactions in Brazil for €16m
- Other expenses for €151m, of which €119m related to irregularities identified at Cnova Brazil and to the Tascom tax

Net income of €72m in the H1 2015 (restated) primarily included:
- Restructuring provisions and expenses totalling €138m, including €38m in Brazil
- Provisions and expenses for taxes, risks and litigation for a provision write-back of €9m, mainly for GPA in Brazil (€11m)
- Net income related to changes in the scope of consolidation for €215m, of which €262m stemming from the remeasurement of the Group's interest in Disco following its full consolidation

After taking into account other operating income and expenses, the Group posted an **operating loss** in H1 2016 of €217m versus an operating profit of €460m in H1 2015 restated.

Net financial expense and profit (loss) before tax

Net financial expense totalled €221m for the period (versus €392m for H1 2015 restated), reflecting:

- Net finance costs in an amount of €136m (compared with €91m in H1 2015 restated).
- Other financial income and expenses representing a net expense of €85m (compared to a net expense of €301m in first-half 2015 restated).

The Group recognised a **loss before tax** of €437m in H1 2016 (versus a profit before tax of €68m in H1 2015 restated).

Net profit, Group share

The Group recognised an income tax benefit of €19m for H1 2016, versus an income tax benefit of €54m in H1 2015 (restated) Excluding non-recurring items, the underlying tax rate stood at -122.3% versus -32.4% in the year-earlier period (restated).

The **share of profit of equity associates** came to €18m (compared with €37m in first-half 2015 restated).

Minority interests stood at -€104m versus €142m for the same period in 2015 (restated). After adjusting for non-recurring exceptional items, underlying minority interests amounted to €10m, versus €149m in H1 2015 restated).

The **net loss of continuing operations, Group share** came to -€296m.

Consolidated net profit, Group share, after taking into account a very substantial gain on asset disposals recognised under discontinued operations (€2,877m), came to €2,581m.

The **underlying net loss, Group share of continuing operations** stood at -€3m. Restatements to net profit (loss) to establish underlying net profit (loss) can be found in the appendix.

Financial position

Consolidated net debt of Casino group stood at €6,343m at 30 June 2016, decreasing significantly (from €8,438m at 30 June 2015 restated) particularly as a result of asset disposals (net impact of the disposals of Thailand and Vietnam of €4,326m). GPA decided to resort less to discounts dut to the evolution of rates in Brazil. Non-cash elements include conversion differences for €540m and reverse factoring[(1)] for €389m.

Net debt of Casino in France[(2)] amounted to €4,027m at 30 June 2016, declining sharply from €8,482m at 30 June 2015 restated. The impact of assets disposals and the reorganisation in Latin America was very significant (net impact of the disposals of Thailand and Vietnam of €3,861m[(3)] and sale of 20% of GPA to Exito for €1,589m[(4)]).

At 30 June 2016, **Casino in France**[(2)] had €6,577m in liquidity. This liquidity is composed of a significant **gross cash position** of €2,866m and **confirmed undrawn lines of credit** of €3,711m.

Casino has been rated BB+ (stable outlook) by Standard & Poor's since 21 March 2016 and is rated BBB- (stable outlook) by Fitch Ratings.

Group equity amounted to €14,668m (versus €14,812m at 30 June 2015 and €12,419m at 31 December 2015), of which Group share of €8,509m (versus €7,133m at 30 June 2015 and €5,883m at 31 December 2015).

Payment of an interim dividend

The Board of Directors has decided during the meeting on 28 July 2016 to pay an interim dividend of €1.56 per share (50% of the annual dividend paid in respect of 2015, unchanged in the last three years) for the year of 2016. The detachment of the interim dividend will take place on 28 November 2016 for a payment on 30 November 2016.

(1) *Reverse factoring Brazil: requalification of the debt agreed by Via Varejo under net financial debt for €389m*
(2) *Scope: The Casino Guichard Perrachon parent company, French businesses and wholly-owned holding companies*
H1 2015 debt of Casino in France presented based on the H1 2016 scope
(3) *Disposal price excluding accrued dividend (€31m) which is presented in the FCF in accordance with 2015*
(4) *Net of €41m of transaction fees*

Objectives for H2 2016

In **France**, the Group will pursue sales growth and profitability improvement. The Group confirms the €500m objective for the annual trading profit in France in 2016, subject to the pursuit of consumption trends.

In **Latin America**, Exito group will pursue its development across various formats and countries where it operates. In Brazil, the new commercial policy will be continued on both food (GPA Food) and non-food (Via Varejo).

Other information

Risk factors are presented in the 2015 Registration Document submitted to the AMF on 19 April 2016.

The definitions of main non-gapp indicators are available on the website of Casino group: www.groupe-casino.fr

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Appendix: Reconciliation of reported net profit to underlying net profit

Underlying net profit corresponds to net profit from continuing operations adjusted for (i) the impact of other operating income and expenses (as defined in the "Significant Accounting Policies" section of the notes to the annual consolidated financial statements), (ii) effects of non-recurring financial items and (iii) non-recurring income tax expenses/benefits.

Non-recurring financial items include fair value adjustments to equity derivatives instruments (for example instruments as Total Return Swap and forward related to GPA shares) and effects of monetary updating of tax liabilities in Brazil.

Non-recurring income tax expense/benefits correspond to tax effects related directly to the above restatements and to direct non-recurring tax effects. In other words, the tax on underlying profit before tax is calculated at the standard average tax rate paid by the Group.

(in €m)	H1 2015 restated	Restated items	H1 2015 underlying	**H1 2016**	**Restated items**	**H1 2016 underlying**
Trading profit	388		388	317		317
Other operating income and expenses	72	(72)		(533)	533	
Operating profit	460	(72)	388	(217)	533	317
Finance costs, net	(91)		(91)	(136)		(136)
Other financial income and expenses	(301)	179	(122)	(85)	(46)	(131)
Income tax benefit (expense)	54	(110)	(57)	19	(80)	(61)
Share of profit of equity associates	37		37	18		18
Net profit (loss) from continuing operations	159	(3)	156	(400)	407	7
Attributable to minority interests	142	7	149	(104)	114	10
Group share	**17**	**(11)**	**6**	**(296)**	**293**	**(3)**

Condensed Consolidated Financial Statements

The figures in the tables have been rounded to the nearest million euros and include individually rounded amounts. Consequently, the totals and sub-totals may not correspond exactly to the sum of the reported amounts.

CONSOLIDATED INCOME STATEMENT

€ millions	**Notes**	**For the six months ended 30 June 2016**	**For the six months ended 30 June 2015 – restated [(i)]**
CONTINUING OPERATIONS			
Net sales	5	**19,673**	21,581
Cost of goods sold		**(14,865)**	(16,378)
Gross margin		**4,808**	**5,203**
Other income		**236**	249
Selling expenses	6.2	**(3,990)**	(4,307)
General and administrative expenses	6.2	**(736)**	(757)
Trading profit	5.1	**317**	**388**
As a % of net sales		***1.6%***	*1.8%*
Other operating income	6.3	**26**	375
Other operating expenses	6.3	**(559)**	(303)
Operating profit (loss)		**(217)**	**460**
As a % of net sales		***-1.1%***	*2.1%*
Income from cash and cash equivalents	9.3.1	**68**	100
Finance costs	9.3.1	**(204)**	(191)
Net finance costs	9.3.1	**(136)**	**(91)**
Other financial income	9.3.2	**140**	112
Other financial expenses	9.3.2	**(225)**	(413)
Profit (loss) before tax		**(437)**	**68**
As a % of net sales		***-2.2%***	*0.3%*
Income tax (expense) gain	7	**19**	54
Share of profit of equity-accounted investees	3.3.1	**18**	37
Net profit (loss) from continuing operations		**(400)**	**159**
As a % of net sales		***-2.0%***	*0.7%*
Attributable to owners of the parent		**(296)**	17
Attributable to non-controlling interests		**(104)**	142
DISCONTINUED OPERATIONS			
Net profit from discontinued operations	**3.2.2**	**2,900**	**101**
Attributable to owners of the parent	3.2.2	**2,877**	62
Attributable to non-controlling interests	3.2.2	**24**	39
CONTINUED AND DISCONTINUED OPERATIONS			
Consolidated net profit		**2,501**	**260**
Attributable to owners of the parent		**2,581**	79
Attributable to non-controlling interests		**(80)**	181

Earnings per share

In €	**For the six months ended 30 June 2016**	**For the six months ended 30 June 2015 – restated [(i)]**
From continuing operations, attributable to owners of the parent		
Basic	**(3.05)**	(0.25)
Diluted	**(3.10)**	(0.36)
From continuing and discontinued operations, attributable to owners of the parent		
Basic	**22.62**	0.30
Diluted	**22.56**	0.18

(i) The financial statements published previously have been restated (note 1.3)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ millions	For the six months ended 30 June 2016	For the six months ended 30 June 2015 – restated (i)
Consolidated net profit	**2,501**	**260**
Items that may be subsequently reclassified to profit or loss (ii)	**1,237**	**(646)**
Cash flow hedges	**(13)**	6
Foreign currency translation differences (iii)	**1,193**	(640)
Available-for-sale financial assets	**2**	-
Net investment hedges in foreign operations	**47**	-
Share of items related to equity-accounted investees that may subsequently be reclassified to profit or loss	**20**	(10)
Income tax effects	**(12)**	(2)
Items that will never be reclassified to profit or loss(ii)	**(2)**	**1**
Actuarial gains and losses	**(4)**	2
Income tax effects	**2**	(1)
Other comprehensive income (loss) for the period, net of tax	**1,235**	**(645)**
Total comprehensive income (loss) for the period, net of tax	**3,736**	**(386)**
Attributable to owners of the parent	***3,051***	*(168)*
Attributable to non-controlling interests	***685***	*(218)*

(i) The financial statements published previously have been restated (note 1.3)
(ii) The impacts of the disposal of operations in Thailand and Vietnam are set out in note 3.2.2.
(iii) The €1,193 million positive change in this item in first-half 2016 results primarily from appreciation of the Brazilian currency representing €1,382 million, offset by the appreciation of the Thai and Vietnamese currencies and their reclassifying to the income statement for a total negative amount of €178 million (note 3.2.2). The €640 million negative change in this item in first-half 2015 arose mainly from the depreciation of the Brazilian and Uruguayan currencies, representing a negative impact of €670 million and €40 million respectively, offset by the appreciation of the Thai baht for €68 million.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS € millions	Notes	30 June 2016	31 December 2015
Goodwill	8	**10,228**	10,351
Intangible assets	8	**4,009**	3,622
Property, plant and equipment	8	**8,554**	8,769
Investment property	8	**365**	771
Investments in equity-accounted investees	3.3.1	**667**	629
Other non-current assets		**2,051**	1,858
Deferred tax assets		**519**	490
Total non-current assets		**26,393**	**26,490**
Inventories		**5,016**	4,884
Trade receivables		**1,722**	1,287
Other current assets		**2,014**	1,857
Current tax assets		**211**	189
Cash and cash equivalents	9.1	**4,147**	4,588
Assets held for sale	3.2.1	**17**	538
Total current assets		**13,128**	**13,343**
TOTAL ASSETS		**39,521**	**39,833**

EQUITY AND LIABILITIES € millions	Notes	30 June 2016	31 December 2015
Share capital	10.1	**172**	173
Additional paid-in capital, treasury shares and retained earnings		**8,337**	5,709
Equity attributable to owners of the parent		**8,509**	**5,883**
Non-controlling interests		**6,159**	**6,536**
Total equity		**14,668**	**12,419**
Non-current provisions for employee benefits		**305**	307
Other non-current provisions	11.1	**770**	538
Non-current financial liabilities	9.2.1	**8,106**	9,594
Non-current put options granted to owners of non-controlling interests		**43**	50
Other non-current liabilities		**814**	786
Deferred tax liabilities		**1,219**	1,225
Total non-current liabilities		**11,257**	**12,500**
Current provisions for employee benefits		**10**	9
Other current provisions	11.1	**178**	187
Trade payables		**6,081**	8,073
Current financial liabilities	9.2.1	**3,036**	2,140
Current put options granted to owners of non-controlling interests		**111**	102
Current tax liabilities		**85**	93
Other current liabilities		**4,097**	4,126
Liabilities associated with assets held for sale	3.2.1	**-**	184
Total current liabilities		**13,597**	**14,914**
TOTAL EQUITY AND LIABILITIES		**39,521**	**39,833**

CONSOLIDATED STATEMENT OF CASH FLOWS

(€ millions)	Notes	For the six months ended 30 June 2016	For the six months ended 30 June 2015 – restated (i)
Consolidated net profit		**2,501**	**260**
Depreciation, amortisation and provisions		**525**	386
Unrealised losses/(gains) arising from changes in fair value	9.3.2	**(54)**	170
Expenses/(income) on share-based payment plans		**5**	5
Other non-cash items		**24**	5
(Gains)/losses on disposal of non-current assets		**32**	(10)
(Gains)/losses due to changes in percentage ownership of subsidiaries resulting in the gain/loss of control or of non-controlling interests		**49**	(257)
Gains/(losses) on disposal of discontinued operations, net of tax	3.2.2	**(2,872)**	-
Transactions with no cash impact relating to discontinued operations		**36**	104
Share of (profit)/loss of equity-accounted investees	3.3.1	**(18)**	(37)
Dividends received from equity-accounted investees	3.3.1	**21**	33
Finance costs, net	9.3.1	**136**	91
Non-recourse factoring costs	9.3.2	**138**	152
Current and deferred tax expenses	7	**(19)**	(54)
Cash flows from operating activities before change in working capital, net finance costs and income tax		**503**	**848**
Income tax paid		**(111)**	(109)
Change in working capital	4.1	**(2,686)**	(1,836)
Net cash from/(used in) operating activities (ii)		**(2,294)**	**(1,098)**
Cash outflows related to acquisitions of:			
▪ property, plant and equipment, intangible assets and investment property		**(660)**	(707)
▪ financial assets		**(9)**	(18)
Cash inflows related to disposals of:			
▪ property, plant and equipment, intangible assets and investment property		**117**	32
▪ financial assets		**14**	5
Effect of changes in scope of consolidation resulting in the gain or loss of control	4.2	**3,704**	(121)
Effect of changes in scope of consolidation related to equity-accounted investees		**(2)**	-
Change in loans and advances granted		**6**	4
Net cash from/(used in) investing activities (ii)		**3,170**	**(805)**
Dividends paid to:			
▪ Owners of the parent	10.3	**(350)**	(352)
▪ Non-controlling interests		**(30)**	(134)
▪ Owners of deeply-subordinated perpetual bonds	10.3	**(42)**	(42)
Repayment of mandatory convertible bonds	2	**(500)**	-
Increase/(decrease) in the parent's share capital		**-**	1
Transactions between the Group and owners of non-controlling interests	4.3	**(25)**	(35)
(Purchases)/sales of treasury shares		**(4)**	(5)
Additions to borrowings		**1,042**	1,625
Repayments of borrowings		**(1,536)**	(1,806)
Interest paid, net		**(218)**	(309)
Net cash from/(used in) financing activities (ii)		**(1,662)**	**(1,056)**
Effect of movements in exchange rates on cash held		**337**	**(187)**
Change in cash and cash equivalents		**(449)**	**(3,146)**
Net cash and cash equivalents at beginning of period		**4,534**	7,197
▪ Net cash and cash equivalents from operations held for sale		**(129)**	-
Net cash and cash equivalents at beginning of period as per statement of financial position	9.1	**4,405**	**7,197**
Net cash and cash equivalents at end of period		**4,085**	4,051
▪ Net cash and cash equivalents related to operations held for sale		**-**	-
Net cash and cash equivalents at end of period as per statement of financial position	9.1	**4,085**	**4,051**

(i) The financial statements published previously were restated following the change in the presentation of net financial expense (note 1.1) and, for a non-material amount, following the finalisation of the purchase price allocation relating to controlling interests acquired in Disco.

(ii) Cash flows relating to discontinued operations are presented in note 3.2.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ millions (before appropriation of profit)	Share capital	Additional paid-in capital[(1)]	Treasury shares	Perpetual deeply subordinated bonds (TSSDI)	Retained earnings and profit for the period	Cash flow hedges	Net investment hedges	Foreign currency translation adjustments	Actuarial gains and losses	Available-for-sale financial assets	Equity attributable to owners of the parent (2)	Non-controlling interests	Total equity
As at 1 January 2015	173	4,092	(2)	1,350	2,987	15	(31)	(858)	(31)	11	7,707	7,901	15,608
Other comprehensive income (loss) for the period	-	-	-	-	-	4	-	(251)	1	-	(247)	(399)	(645)
Net profit (loss) for the period	-	-	-	-	79	-	-	-	-	-	79	181	260
Consolidated comprehensive income (loss) for the period	-	-	-	-	79	4	-	(251)	1	-	(168)	(218)	(386)
Issue of share capital	-	1	-	-	-	-	-	-	-	-	1	-	1
Purchases and sales of treasury shares	-	-	-	-	(3)	-	-	-	-	-	(3)	-	(3)
Dividends paid (3)	-	-	-	-	(388)	-	-	-	-	-	(388)	(82)	(471)
Dividends payable to owners of perpetual deeply subordinated bonds	-	-	-	-	(8)	-	-	-	-	-	(8)	-	(8)
Share-based payments	-	-	-	-	1	-	-	-	-	-	1	3	5
Change in percentage interests resulting in the gain/loss of control of subsidiaries (4)	-	-	-	-	-	-	-	-	-	-	-	154	154
Changes in percentage interests not resulting in the gain/loss of control of subsidiaries (5)	-	-	-	-	(7)	-	-	(1)	-	-	(9)	(81)	(89)
As at 30 June 2015 – restated (6)	173	4,093	(1)	1,350	2,659	19	(31)	(1,110)	(30)	12	7,133	7,679	14,812

€ millions (before appropriation of profit)	Share capital	Additional paid-in capital[(1)]	Treasury shares	Perpetual deeply subordinated bonds (TSSDI)	Retained earnings and profit for the period	Cash flow hedges	Net investment hedges	Foreign currency translation adjustments	Actuarial gains and losses	Available-for-sale financial assets	Equity attributable to owners of the parent (2)	Non-controlling interests	Total equity
As at 1 January 2016	**173**	**4,093**	**(80)**	**1,350**	**2,469**	**13**	**(31)**	**(2,061)**	**(54)**	**12**	**5,883**	**6,536**	**12,419**
Other comprehensive income (loss) for the period	-	-	-	-	-	(8)	31	450	(4)	2	470	765	1,235
Net profit (loss) for the period	-	-	-	-	2,581	-	-	-	-	-	2,581	(80)	2,501
Consolidated comprehensive income (loss) for the period	**-**	**-**	**-**	**-**	**2,581**	**(8)**	**31**	**450**	**(4)**	**2**	**3,051**	**685**	**3,736**
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchases and sales of treasury shares (7)	(1)	(35)	30	-	2	-	-	-	-	-	(5)	-	(5)
Dividends paid (3)	-	-	-	-	(387)	-	-	-	-	-	(387)	(54)	(441)
Dividends payable to owners of perpetual deeply subordinated bonds	-	-	-	-	(9)	-	-	-	-	-	(9)	-	(9)
Share-based payments	-	-	-	-	2	-	-	-	-	-	2	3	5
Change in percentage interests resulting in the gain/loss of control of subsidiaries (4)	-	-	-	-	11	-	-	-	-	-	11	(509)	(498)
Change in percentage interest not resulting in the gain/loss of control of subsidiaries (5)	-	-	-	-	(8)	-	-	(23)	-	-	(31)	(498)	(529)
Other movements	-	-	-	-	(6)	-	-	-	-	-	(6)	(5)	(11)
As at 30 June 2016	**172**	**4,058**	**(50)**	**1,350**	**4,654**	**4**	**(1)**	**(1,634)**	**(58)**	**13**	**8,509**	**6,159**	**14,668**

(1) Additional paid-in capital: premiums on shares issued for cash or contribution in kind, or in connection with mergers or acquisitions, and legal reserves.
(2) Attributable to the shareholders of Casino, Guichard-Perrachon.
(3) See note 10.3 for details of dividends paid to owners of ordinary shares and perpetual deeply subordinated bonds. Dividends paid to non-controlling interests in the first half of 2016 concerned Exito and Uruguay, amounting respectively to €31 million and €22 million (30 June 2015: €44 million for Exito and €24 million for Big C Thailand).
(4) The €498 million negative impact primarily relates to the disposal of businesses in Vietnam and Thailand (note 3.1.1). In first-half 2015, the €154 million impact related to non-controlling interests in Disco, measured at fair value following its takeover.
(5) The €529 million negative impact primarily relates to the exercise of the call option on Monoprix mandatory convertible bonds (note 2), as well as the acquisition of shares in Exito and GPA (notes 3.1.2 and 3.1.3). In first-half 2015, the €81 million negative change related mainly to the recognition of the put option granted on Disco shares following the acquisition of controlling interests in the company.
(6) The financial statements published previously were restated for a non-material amount following the finalisation of the purchase price allocation relating to controlling interests acquired in Disco.
(7) See note 10.1.

CONSOLIDATED FINANCIAL STATEMENTS

DETAILED SUMMARY OF NOTES TO THE FINANCIAL STATEMENTS

INFORMATION ABOUT CASINO, GUICHARD-PERRACHON GROUP

Casino, Guichard-Perrachon is a French company (*société anonyme*) listed on compartment A of Euronext Paris. The Company and its subsidiaries are hereinafter referred to as "the Group" or "the Casino Group". The Company's registered office is at 1, Esplanade de France, 42008 Saint-Etienne, France.

The interim consolidated financial statements for the six months ended 30 June 2016 reflect the accounting position of the Company and its subsidiaries as well as the Group's interests in joint ventures and associates.

The condensed consolidated financial statements of Casino, Guichard-Perrachon for the six months ended 30 June 2016 were approved for publication by the Company's Board of Directors on 28 July 2016.

Note 1 Significant accounting policies

1.1 Accounting standards

Pursuant to European Commission Regulation No 1606/2002 of 19 July 2002, the condensed consolidated financial statements of the Casino Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Union as at 30 June 2016.

These standards are available on the European Commission's website (http://ec.europa.eu/finance/company-reporting/index_en.htm).

The interim consolidated financial statements, presented here in condensed form, have been prepared in accordance with IAS 34 – Interim Financial Reporting. They do not contain all the information and notes included in the annual financial statements. They should therefore be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2015 which are available upon request from the Company's head office, or can be downloaded from the Group's website, www.groupe-casino.fr.

The accounting principles used to prepare the condensed consolidated financial statements for the six months ended 30 June 2016 are identical to those applied in the annual consolidated financial statements for the year ended 31 December 2015, with the exception of the method used to present non-recourse factoring costs within net financial income (expense) (note 9.3) and accounting changes related to new standards applicable as from 1 January 2016 which do not have a material impact on the Group's consolidated financial statements (see below).

Standards, amendments to standards and interpretations adopted by the European Union and effective for the reporting period beginning on 1 January 2016

The European Union has adopted the following standards, amendments to standards and interpretations which must be applied by the Group for its reporting period beginning on 1 January 2016. These new standards, amendments and interpretations presented below which are applicable by the Group do not have a material impact on its consolidated financial statements and are to be applied on a prospective basis unless otherwise indicated.

- Annual Improvements to IFRSs – 2010-2012 Cycle, concerning in particular the following standards:

  - IFRS 2 – Share-based Payment
    These amendments provide a clearer definition of "vesting conditions" by separately defining "performance condition" and "service condition".

  - IFRS 3 – Business Combinations
    These amendments clarify that changes in the fair value of contingent consideration which are not adjustments in the measurement period are to be recognised in profit or loss.

  - IFRS 8 – Operating Segments
    These amendments are applicable on a retrospective basis. They require entities to disclose in the notes to the financial statements the judgements made by management in applying the aggregation criteria to operating segments.

  - IAS 24 – Related Party Disclosures
    These amendments are applicable on a retrospective basis. They clarify that an entity providing key management personnel services to the reporting entity or to the parent of a reporting entity is a related party of the reporting entity. In this case, the reporting entity is not required to provide details of the compensation it pays to key management personnel pursuant to IAS 24.17, but must indicate the amount of fees paid to the service provider.

- Annual Improvements to IFRSs – 2012-2014 Cycle, concerning in particular the following standards:

  - IAS 34 – Interim Financial Reporting
    These amendments are applicable on a retrospective basis. They clarify the meaning of "elsewhere in the interim report" referred to in IAS 34.16A, by requiring a cross-reference in the interim financial statements that allows readers to locate the information when it is contained in the interim financial report but not in the notes to the financial statements.

- Amendments to IAS 1 – Disclosure Initiative
  These amendments clarify requirements in two areas:
  - applying the materiality concept: the amendment states that materiality applies to the whole financial statements including the accompanying notes, and that including information that is not material can obscure useful information;
  - applying professional judgement: the amendment makes minor changes to certain prescriptive formulas which are perceived as impediments to judgements.

1.2 Basis of preparation and presentation of the consolidated financial statements

1.2.1 Basis of measurement

The consolidated financial statements are presented in euros which is the functional currency of the Group's parent company. The tables are presented in millions of euros and comprise figures which are rounded individually to the nearest million euros. Consequently, the totals and sub-totals shown may not correspond exactly to the sum of the reported amounts.

1.2.2 Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that may affect the reported amounts of assets and liabilities and income and expenses, as well as the disclosures made in certain notes to the consolidated financial statements. Due to the inherent uncertainty of assumptions, actual results may differ from the estimates. Estimates and assessments are reviewed at regular intervals and adjusted where necessary to take into account past experience and any relevant economic factors.

In preparing these interim consolidated financial statements, the main judgments made by management and the key assumptions used were the same as those applied in preparing the consolidated financial statements for the year ended 31 December 2015.

The main judgements and estimates for the period concern:

- impairment of non-current assets and goodwill (note 8);
- recoverable amounts of deferred tax assets;
- provisions for risks (note 11), particularly tax and social security, as well as the recognition and measurement of recoverable amount of tax credits (VAT or similar) (in particular note 5.1).

1.3 Restatement of comparative information

The table below shows the impact of discontinued operations (note 3.1.1), the revised presentation of non-recourse factoring costs within net financial income (expenses) (note 9.3), and the finalisation of the purchase price allocation following the controlling interests acquired in Disco on the consolidated income statement for the six months ended 30 June 2015 compared to the same statement published in late July 2015.

€ millions	For the six months ended 30 June 2015 – reported	Discontinued operations	Finalisation of the purchase price allocation of Disco	Non-recourse factoring costs	For the six months ended 30 June 2015 – restated
Net sales	23,668	(2,087)	-	-	**21,581**
Trading profit (loss)	521	(133)	-	-	**388**
Operating profit (loss)	595	(133)	(2)	-	**460**
Net financial income (expense)	(402)	10	-	-	**(392)**
Finance costs, net	*(255)*	*12*	-	*152*	***(91)***
Other financial income and expenses, net	*(148)*	*(1)*	-	*(152)*	***(301)***
Profit (loss) before tax	193	(123)	(2)	-	**68**
Income tax (expense) gain	27	26	-	-	**54**
Net profit (loss) from continuing operations	257	(97)	(1)	-	**159**
Net profit (loss) from discontinued operations	4	97	-	-	**101**
Consolidated net profit	261	-	(1)	-	**260**
Attributable to owners of the parent	*79*	-	-	-	***79***
Attributable to non-controlling interests	*182*	-	*(1)*	-	***181***

Note 2 Significant events during the period

- **Disposal of operations in Thailand and Vietnam (note 3.1.1)**

- **Change in Standard & Poor's credit rating**
  On 21 March 2016, Standard & Poor's announced that it was downgrading Casino's rating from BBB- to BB+ outlook stable. This downgrading follows its announcement on 15 January 2016 that it was placing the Group's BBB- rating under CreditWatch due to the problems the Group was encountering in emerging countries and the recession in Brazil.
  This change in the rating led to a 1.25% increase in the annual coupon paid on the Group's bonds. This increase takes effect on the day after the annual coupon payment date for each bond. The impact of this clause, not material in the first half of 2016, is estimated at around €15 million in 2016 and slightly over €70 million in full-year (taking into account the impact of bond buybacks in the first half of the year mentioned hereafter). This downgrading did not have an impact on Casino's debt repayments and there is no covenant relating to Casino's credit rating.

- **Exercise of the call option on Monoprix mandatory convertible bonds (MCB)**
  On 3 May 2016, Casino exercised its call option on all of the MCB issued by Monoprix in December 2013 and subscribed by Crédit Agricole CIB. The transaction took place on 10 May 2016 at a strike price of €508 million (€500 million nominal value and €8 million interest) and resulted in financial income of €13 million recognised under "Net finance costs" and had a negative impact on consolidated equity of -€502 million (including -€419 million of non-controlling interests and -€83 million of equity attributable to owners of the parent).

- **Plan to launch voluntary cash tender offer for Cnova NV ordinary shares**
  On 12 May 2016, Casino announced its plan to launch a voluntary cash tender offer on the outstanding ordinary shares of Cnova NV held by the public shareholders at a price of $5.5 per share, equivalent to a maximum outlay of around $196 million. This offer depends in particular on the merger between Cnova's Brazilian business with Via Varejo. Once the plan is completed, Cnova would be the sole shareholder of Cdiscount. Via Varejo would absorb Cnova Brazil and would no longer be a Cnova shareholder, triggering GPA's loss of control over Cnova. This transaction, which could occur in the second half of 2016, is subject to the good end of the current negotiations to make sure of the support of the owners of non-controlling interests of Via Varejo.
  The impact on the Casino Group's consolidated accounts of this potential restructuring of fully consolidated companies would be eliminated, apart from a possible taxation impact and costs relating to the tender offer.

- **Financial agreement with the Baud family and acquisition of control of Geimex**
  On 25 May 2016, Casino and the Baud family came to a financial agreement to end their legal dispute that had been ongoing since 2007. On the basis of this agreement, the Casino Group will acquire the 50% stake owned by the Baud family in the company Geimex, owner of the Leader Price brand on international markets and previously jointly owned by both parties. The acquisition of a controlling stake is subject to certain conditions precedent, including the approval of the competition authorities; it will come into effect once these conditions are met.

- **Bond buyback**

A tender offer allowed Casino to buy back and cancel bonds maturing in January 2023, February 2025 and August 2026 for nominal amounts of €134 million, €158 million and €245 million respectively.

In the first half of the year, the Group also bought back bonds on the market with the same maturities for a cumulative notional value of €108 million (€13 million, €42 million and €53 million respectively for bonds maturing in January 2023, February 2025 and August 2026).

Impacts on the financial statements are as follows:

- Decrease in gross financial debt, including the remeasurement of the hedged items: €665 million (note 9.2.2);
- Decrease in hedging instruments: €20 million (note 9.2.2);
- Recognition of a €38 million gain presented under "Net finance costs" (note 9.3.1)

Following these buybacks and the redemption of the bond maturing in April 2016, average bond maturity had fallen from 5.8 years at end of 2015 to 5.3 years at 30 June 2016.

- **Irregularities at the Cnova Brazil subsidiary**

The completion of investigations resulted in an additional net expense of €35 million being recognised under "Other operating income and expenses" (note 6.3).This chiefly covers impairment on intangible assets of €16 million, €10 million in cut-off adjustments and €5 million in relation to the scrapping of property, plant and equipment. Casino considers that the portion of adjustments corresponding to errors in the previous financial years was not material to justify restating previously published financial statements. The subsidiary filed its 20-F annual report with the SEC on 21 July 2016.

Note 3 Scope of consolidation

3.1 Transactions affecting the scope of consolidation in the first half of 2016

3.1.1 Disposal of operations in Asia

- **Disposal of operations in Thailand**

On 14 January 2016, the Group announced its intention to sell its stake in its subsidiary Big C Supercenter PCL ("Big C"), a company listed in Thailand. The disposal was carried out on 21 March 2016 to BJC, a TCC group subsidiary. Proceeds on the sale amounted to €3,068 million net of disposal costs, generating a €2,315 million capital gain net of tax (note 3.2).
As part of this operation, Cnova sold its economic interests in Cdiscount Thailand to the BJC group for €28 million net of disposal costs (including the repayment of a loan for €6 million). This generated a €27 million capital gain net of tax (note 3.2).

- **Disposal of operations in Vietnam**

On 29 April 2016, the Group announced that it had sold Big C Vietnam to the Central group for an enterprise value of €1 billion. Since the decision to sell its Vietnamese operations had been taken at the end of 2015, the assets and liabilities related to its E-commerce and Retail businesses in Vietnam were classified as held for sale at 31 December 2015. Proceeds on the sale amounted to €879 million net of disposal costs, generating a €528 million capital gain net of tax (note 3.2).

Following the disposal of its operations in Thailand and Vietnam, representing the entire "Asia" operating segment and part of the "E-commerce" operating segment, the Group has presented the net after-tax profit of its Thai and Vietnamese operations as well as the capital gain on the disposal of these businesses on a separate line of the income statement ("Net profit from discontinued operations"), in accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations.

Furthermore, the consolidated income statement for the six months ended 30 June 2015 was restated in order to present discontinued operations separately from continuing operations (notes 1.3 and 3.2). Net cash flows attributable to operating, investing and financing activities of discontinued operations are also set out in note 3.2.

3.1.2 Acquisition of Exito shares

Between 1 March and 28 March 2016, the Group acquired 2.4 million shares in its subsidiary Exito for a total of USD 11 million (€10 million) (note 4.3), increasing its stake in the company to 55.30% from 54.77% previously. These transactions had a positive €6 million impact on equity attributable to owners of the parent and a negative €17 million impact on non-controlling interests.

3.1.3 Acquisition of GPA shares

In June 2016, the Group acquired 970 thousand preference shares for €11 million (note 4.3), representing about 0.4% of GPA’s share capital. These transactions had a positive €6 million impact on equity attributable to owners of the parent and a negative €17 million impact on non-controlling interests.

3.1.4 Changes in scope relating to Franprix-Leader Price subgroup

As part of the continuation of the franchisee redeployment projects at Franprix-Leader Price, the subsidiary sold a group of Franprix and Leader Price stores to two master franchisees in the first half 2016 that were loss-making under the integrated management mode. The Group sold a 51% interest in the stores, generating a €65 million net loss recognised in "Other operating expenses" (note 6.3). If these disposals had been carried out on 1 January 2016, they would have had a negative €33 million impact on net sales and a zero impact on profit before tax.

At the same time, the master franchisees acquired a 49% interest in a group of profit-making Franprix and Leader Price stores. These disposals, without loss of control, had no material impact on equity attributable to owners of the parent.

Furthermore, Franprix-Leader Price also acquired a controlling interests in various groups during first-half 2016. The amounts disbursed for these acquisitions totalled €8 million and generated provisional goodwill of €8 million. Since the sub-groups acquired were previously equity-accounted in the Casino Group's consolidated financial statements, the remeasurement in accordance with IFRS 3, of the interests previously-held generated a €3 million gain.
The contribution of these groups to consolidated net sales and profit before tax for the period was €4 million and a negative €3 million, respectively.
If these acquisitions had been carried out at 1 January 2016, the additional contribution to net sales and profit before tax would have been €3 million and a negative €1 million, respectively.

3.2 Assets held for sale and discontinued operations

3.2.1 Assets held for sale

At 30 June 2016, assets held for sale and related liabilities represented €17 million and €0 million, respectively (31 December 2015: €538 million and €184 million, respectively), and primarily relate to Retail and E-commerce assets of Vietnamese operations at 31 December 2015. The decrease in this item reflects the transactions described in note 3.1.1.

3.2.2 Discontinued operations

Profit from discontinued operations relates chiefly to the businesses in Thailand and Vietnam (note 3.1.1) and is presented below:

€ millions	For the six months ended 30 June 2016 (i)	For the six months ended 30 June 2015 – restated
Net sales	**747**	2,087
Expenses	**(709)**	(1,958)
Profit before tax	**38**	**128**
Income tax (expense) gain	**(8)**	(28)
Net profit	**30**	**101**
Gain on disposal of discontinued operations	**2,899**	-
Disposal price	*4,054*	-
Disposal costs	*(86)*	-
Carrying amount of net assets sold	*(1,160)*	-
Other items of comprehensive income (loss) recycled to profit or loss	*91*	-
Tax on the disposal of discontinued operations	**(28)**	-
Net profit from discontinued operations (ii)	**2,900**	**101**
Basic earnings per share of discontinued operations (iii)	**25.88**	0.89
Diluted earnings per share of discontinued operations (iii)	**25.88**	0.89

(i) Mainly relating to the two months of operations prior to the disposal of the Thai businesses on 21 March 2016 and the four months of operations prior to the disposal of the Vietnamese businesses on 29 April 2016

(ii) Profit from discontinued operations in the period amounts to €2,900 million (€2,877 million attributable to owners of the parent and €24 million to non-controlling interests (first-half 2015: €101 million, of which €62 million and €39 million respectively to the owners of the parent and to non-controlling interests)

(iii) Of which the part attributable to owners of the parent for €25.67 and €0.55 respectively at 30 June 2016 and 30 June 2015

Other items of comprehensive income relating chiefly to operations in Thailand and Vietnam are presented below:

€ millions	For the six months ended 30 June 2016	For the six months ended 30 June 2015
Items that may be subsequently reclassified to profit or loss	**(148)**	**86**
Foreign currency translation differences	**(178)**	86
Net investment hedges in foreign operations	**47**	-
Income tax effects	**(17)**	-
Items that will never be reclassified to profit or loss	**5**	**-**
Actuarial gains and losses	**6**	-
Income tax effects	**(1)**	-
Other comprehensive income (loss) relating to discontinued operations	**(143)**	**86**

Cash flows relating to discontinued operations, mainly in Thailand and Vietnam are presented below:

€ millions	For the six months ended 30 June 2016	For the six months ended 30 June 2015 – restated
Net cash from/(used in) operating activities	**(209)**	103
Net cash from/(used in) investing activities	**3,737**	(75)
Net cash from/(used in) financing activities	**340**	(42)
Net cash flow for the period	**3,868**	**(14)**

The impacts of the disposal of the operations in Thailand and Vietnam on the Group's consolidated statement of financial position are presented below:

€ millions	2016 (i)
Goodwill, intangible assets, property, plant and equipment, and investment property	1,940
Other non-current assets	161
Non-current assets	**2,100**
Other current assets	451
Cash and cash equivalents	118
Assets held for sale (Vietnam) (ii)	460
Current assets	**1,029**
TOTAL ASSETS	**3,130**
Non-current financial liabilities	145
Other non-current liabilities	78
Non-current liabilities	**223**
Current financial liabilities	355
Trade payables	486
Other current liabilities	202
Liabilities associated with assets held for sale (Vietnam) (iii)	144
Current liabilities	**1,187**
TOTAL LIABILITIES	**1,410**
Net assets	**1,719**
Attributable to owners of the parent	***1,160***
Attributable to non-controlling interests	***559***
Consideration received in cash net of costs paid (note 4.2)	3,985
Cash and cash equivalents sold (note 4.2)	225
Net cash inflow (note 4.2)	**3,759**

(i) At the date on which control was lost for each business
(ii) Of which €107 million of cash and cash equivalents
(iii) Of which €64 million of borrowings and financial liabilities

3.3 Investments in equity-accounted investees

3.3.1 Change in investments in equity-accounted investees

€ millions	Start of period	Impairment loss	Share of profit/(loss) for the period	Dividends	Other	End of period
Associates						
GPA Group associates (FIC & BINV)	122	-	30	(34)	(30)	88
Banque du Groupe Casino	80	-	1	-	(1)	80
Mercialys	457	-	34	(61)	(55)[(i)]	376
Franprix - Leader Price Group associates	21	-	(9)	-	(2)	10
Others	35	-	1	(1)	-	35
Joint ventures						
Disco [(ii)]	129	-	-	-	(129)	-
Geimex	50		3	(25)	-	28
Others	3	-	5	-	4	12
Full year 2015	**897**	**-**	**66**	**(121)**	**(213)**	**629**
Associates						
GPA Group associates (FIC & BINV)	**88**	**-**	**15**	**-**	**20**	**123**
Banque du Groupe Casino	**80**	**-**	**1**	**-**	**-**	**81**
Mercialys	**376**	**-**	**20**	**(21)**	**-**	**374**
Franprix - Leader Price Group associates	**10**	**-**	**(20)**	**-**	**19**	**9**
Others	**35**	**-**	**-**	**-**	**3**	**37**
Joint ventures						
Geimex	**28**	**-**	**1**	**-**	**-**	**29**
Others	**12**	**-**	**1**	**-**	**-**	**13**
First half-year 2016	**629**	**-**	**18**	**(21)**	**42**	**667**

(i) The negative change of €55 million in the year 2015 was the result of the neutralisation of the capital gains arising on sales of property assets by Casino to Mercialys at the percentage interest owned in that entity.

(ii) Disco has been fully consolidated since the date the Group acquired control (1 January 2015).

3.3.2 Share of contingent liabilities in equity-accounted investees

As at 30 June 2016 and 31 December 2015, there were no significant contingent liabilities in equity-accounted investees.

3.3.3 Transactions with related parties (equity-accounted investees)

The related party transactions shown below mainly concern routine transactions with companies over which the Group exercises significant influence (associates) or joint control (joint ventures) and that are accounted for in the financial statements using the equity method. These transactions are carried out on arm's length terms.

€ millions	First half-year transactions				Closing balance			
	Associates		Joint ventures		Associates		Joint ventures	
	2016	2015	2016	2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Loans	(2)	21	-	-	19	21	-	-
Receivables	21	(2)	-	(12)	37	17	3	3
Liabilities	(1)	(10)	(2)	(4)	5	5	3	5
Expenses (i)	57	37	24	20	-	-	-	-
Income (ii)	76	161	16	8	-	-	-	-

(i) Of which rental revenue excluding occupancy costs for the 88 leases signed with Mercialys (associate) for €30 million in first-half 2016 (92 leases for €19 million in 2015). As at 31 December 2015, lease commitments to Mercialys for property assets amounted to €99 million, of which €43 million due within one year.

(ii) Of which dividends received from Mercialys amounting to €21 million (first-half 2015: €33 million) and income related to property development transactions with Mercialys presented under "Other income" for €47 million (first-half 2015: €117 million).

Under the partnership agreement between Casino and Mercialys and in line with asset disposal transactions carried out in 2014 and 2015, in first-half 2016 Casino sold property development projects (including two Monoprix sites) to Mercialys for a total amount of €73 million. After eliminating an amount equivalent to the percentage interest in Mercialys and based on the percentage of completion of each transaction, the sale led to the recognition of €34 million in "Other income" and a positive €16 million EBITDA contribution.

Mercialys also entered into an agreement with OPPCI SEREIT France under which it transferred to SCI Rennes – Anglet the buildings of two hypermarkets, a shopping centre and a mid-sized store resulting from property developments sold by Casino to Mercialys in 2014. SCI Rennes – Anglet is 30%-owned by Mercialys and 70%-owned by OPPCI SEREIT France. The transaction led the Group to recognise €13 million within "Other income" corresponding to the additional 70% portion of the earnings on the development that had previously been eliminated at 40%, along with an EBITDA contribution of €10 million.
The Group also has a call option exercisable on 31 July 2018, on his hand and under conditions, on either (i) the property assets held by SCI Rennes – Anglet, valued at a fixed price of €64 million or (ii) the shares in SCI Rennes – Anglet held by OPPCI SEREIT France, valued at the company's market value (NAV), based on market value of property asset excluding rights of €64 million.

Note 4 Additional disclosures related to the consolidated statement of cash flows

4.1 Change in working capital

€ millions	For the six months ended 30 June 2016 (*)	For the six months ended 30 June 2015 (*)
Inventories of goods	**(108)**	(18)
Property development work in progress	**60**	(49)
Trade payables	**(1,887)**	(1,345)
Trade receivables	**(392)**	56
Finance receivables (credit activity)	**17**	88
Finance payables (credit activity)	**18**	(141)
Other receivables/payables	**(395)**	(427)
Change in working capital	**(2,686)**	**(1,836)**

(*) Includes cash flows related to discontinued operations up to the effective disposal date (note 3.2.2)

4.2 Effect on cash of changes in scope of consolidation resulting in the gain or loss of control

€ millions	For the six months ended 30 June 2016	For the six months ended 30 June 2015
Amount paid for acquisition of control	**(43)**	(195)
Cash/(bank overdrafts) related to acquisition of control	**(10)**	47
Amounts received in respect of loss of control (i)	**3,985**	27
(Cash)/bank overdrafts related to loss of control (ii)	**(227)**	-
Effect on cash of changes in scope of consolidation resulting in the gain or loss of control	**3,704**	**(121)**

(i) Corresponds to the disposal of Thai and Vietnamese activities for the period ended on 30 June 2016
(ii) Of which €225 million relating to Thai and Vietnamese activities sold

At 30 June 2016, the net impact of these transactions on the Group's cash position was mainly due to the disposal of Big C Thailand in the amount of €2,989 million and of Big C Vietnam for €770 million (note 3.2.2).

At 30 June 2015, the net impact of these transactions on the Group's cash position was mainly due to (i) the acquisition of control of Super Inter stores made in 2015 in the negative amount of €90 million, (ii) the acquisition of control of Europrice and Leader Centre Gestion by the Franprix-Leader Price subgroup in the negative amounts of €18 million and €14 million respectively, (iii) cash acquired from Disco in the amount of €49 million and from the assets swap pursuant to the agreement with Cafam for the net negative amount of €17 million.

4.3 Effect on cash of transactions with non-controlling interests

€ millions	For the six months ended 30 June 2016	For the six months ended 30 June 2015
Acquisition of GPA shares (note 3.1.3)	**(11)**	-
Acquisition of Exito shares (note 3.1.2)	**(10)**	-
Lanin/Devoto	**-**	(17)
Others	**(3)**	(17)
Effect on cash of transactions with non-controlling interests	**(25)**	**(35)**

4.4 Reconciliation between change in cash and cash equivalents and change in net financial debt

€ millions	For the six months ended 30 June 2016	For the six months ended 30 June 2015 – restated
Change in cash and cash equivalents	**(449)**	**(3,146)**
Additions to borrowings	**(1,042)**	(1,625)
Repayments of borrowings	**1,536**	1,806
Non-cash changes in financial liabilities	**94**	160
Change in net assets held for sale attributable to owners of the parent	***(235)***	*5*
Change in other financial assets	***(5)***	*50*
Financial liabilities related to changes in scope of consolidation (note 9.2.2 iii)	***566***	*(2)*
Trade payables - structured program (note 9.2.1)	***(104)***	*-*
Change in cash flow and fair value hedge	***(30)***	*40*
Change in accrued interest	***(72)***	*45*
Interests relating to Monoprix mandatory convertible bonds (note 9.3.1)	***13***	*11*
Others	***(39)***	*12*
Effect of movements in exchange rates	**(409)**	99
Change in net financial debt (note 9.2.1)	**(270)**	**(2,706)**
Net financial debt at beginning of period	**6,073**	5,733
Net financial debt at end of period (see note 9.2.1)	**6,343**	8,438

Note 5 Segment information

5.1 Key indicators by operating segment

The segment information presented below is based on the internal reporting used by General Management (the primary decision maker) to evaluate performance and allocate resources. It includes in particular the allocation of the holding costs to all of the Group's Business Units. Following to the disposal of operations in Thailand and Vietnam outlined in note 3.1.1, details are provided on the following segments: France Retail, Latam Retail, Latam Electronics and E-commerce.

€ millions	France Retail	Latam Retail	Latam Electronics	E-commerce	For the six months ended 30 June 2016
External net sales	**9,264**	**6,836**	**2,182**	**1,391**	**19,673**
EBITDA	**267** (i)	**340** (ii)	**125** (ii)	**(62)**	**670**
Current amortisation expense (note 6.2)	**(182)**	**(128)**	**(26)**	**(18)**	**(353)**
Trading profit/(loss)	**85**	**212** (ii)	**100** (ii)	**(80)**	**317**

(i) Of which €49 million for property development transactions carried out in France

(ii) Of which 640 million of Brazilian reals (€155 million of which €85 million and €70 million for Latam Electronics and Latam Retail respectively) of extemporaneous PIS/COFINS tax credits recognised in the period as a reduction of "Cost of goods sold" by GPA (of which €143 million in relation to previous financial years) ; the elements supporting the recognition and utilisation on future periods of such credits were obtained during the period

€ millions	France Retail	Latam Retail	Latam Electronics	E-commerce	For the six months ended 30 June 2015 restated
External net sales	9,136	7,803	2,924	1,719	21,581
EBITDA	146 (i)	459	226	(30)	801
Current amortisation expense (note 6.2)	(198)	(160)	(35)	(20)	(413)
Trading profit/(loss)	(53)	299	191	(50)	388

(i) Of which €81 million for property development transactions carried out in France

5.2 Key indicators by geographical area

€ millions	France	Latin America	Other regions	Total
External net sales for the six months ended 30 June 2016	**10,108**	**9,562**	**3**	**19,673**
External net sales for the six months ended 30 June 2015 restated	9,885	11,693	3	21,581

€ millions	France	Latin America	Asia	Other regions	Total
Non-current assets as at 30 June 2016 (i)	**11,985**	**11,884**	**-**	**46**	**23,915**
Non-current assets as at 31 December 2015 (i)	12,099	10,143	2,066	43	24,351

(i) Non-current assets include goodwill, intangible assets, property, plant & equipment, investment property, investments in associates and joint ventures and long-term prepaid expenses.

Note 6 Activity data

6.1 Seasonality of operations

Across all businesses, seasonal fluctuations on the income statement were minor in terms of net sales (the first half of 2015 represented 51% of the full year 2015, or 48% based on the average 2015 exchange rate), but were more significant in terms of trading profit (33% in first half 2015 versus 29% for the full year based on the average 2015 exchange rate).

These seasonal fluctuations have an even greater impact on the cash flows generated by the Group. The change in working capital observed in the first-half of the year is structurally significantly negative as a result of the large payments made to suppliers at the beginning of the financial year in return for purchases made to meet strong demand in December of the previous year.

6.2 Expenses by nature and function

€ millions	Logistics costs(*)	Selling expenses	General and administrative expenses	For the six months ended 30 June 2016
Employee benefits expense	**(267)**	**(1,754)**	**(435)**	**(2,456)**
Other expenses	**(521)**	**(1,971)**	**(237)**	**(2,729)**
Depreciation and amortisation expense	**(25)**	**(265)**	**(64)**	**(353)**
Total	**(813)**	**(3,990)**	**(736)**	**(5,539)**

(*) Logistics costs are reported in the income statement under "Cost of goods sold"

€ millions	Logistics costs(*)	Selling expenses	General and administrative expenses	For the six months ended 30 June 2015 restated
Employee benefits expense	(316)	(1,865)	(444)	**(2,625)**
Other expenses	(573)	(2,137)	(239)	**(2,949)**
Depreciation and amortisation expense	(34)	(305)	(74)	**(413)**
Total	**(923)**	**(4,307)**	**(757)**	**(5,987)**

(*) Logistics costs are reported in the income statement under "Cost of goods sold"

6.3 Other operating income and expenses

€ millions	For the six months ended 30 June 2016	For the six months ended 30 June 2015 restated
Total other operating income	**26**	375
Total other operating expenses	**(559)**	(303)
	(533)	**72**
Breakdown by type		
Gains and losses on disposal of non-current assets (vi)	**(18)**	**21**
Other operating income and expenses	**(515)**	**51**
Restructuring provisions and expenses (i) (vi)	**(144)**	(138)
Net asset impairment losses (ii) (vi)	**(24)**	(11)
Provisions and expenses for litigation and risks (iii) (vi)	**(78)**	9
Net income/(expenses) related to changes in scope of consolidation (iv) (vi)	**(118)**	215
Others (v)	**(151)**	(23)
Total other net operating income (expenses)	**(533)**	**72**

(i) This restructuring charge in the first half of 2016 concerned mainly the France Retail and GPA segments for €113 million and €23 million respectively. In the first half of 2015, it related to the France Retail and GPA segments in the amounts of €88 million and €36 million respectively

(ii) The impairment loss recognised at 30 June 2016 mainly concerned isolated assets from stores in the France Retail segment (mainly Franprix-Leader Price) in the amount of €22 million. The impairment loss recognised at 30 June 2015 mainly concerned isolated assets from the France Retail and E-commerce segments.

(iii) The provisions and charges for litigation and risks relate to GPA for an amount of €68 million. In the first half of 2015, provisions and charges for litigation related to GPA resulted in an income of €11 million

(iv) The €118 million expense recognised in the first half of 2016 relate mainly to changes in scope at the Franprix-Leader Price subgroup level (note 3.1.4) for an amount of €65 million and fees for scope operations of €28 million. Income of €215 million recognised in the first half of 2015 arose mainly from the remeasurement of the interest previously-held in Disco at the time of the acquisition of control for an amount of €262 million.

(v) Of which mainly the expense relating to irregularities in the Cnova Brazil subsidiary for an amount of €76 million, including €41 million of costs related to investigations and €35 million to correct prior-period errors (note 2), and the French tax on retail stores (TASCOM) of the year 2015 for an amount of €43 million. A change in tax legislation relating to TASCOM resulted in two expenses being recognised during the period (TASCOM for 2015 fully recognised at the beginning of the 2016 financial year under other operating expenses, and TASCOM for 2016 now recognised on a straight-line basis within trading profit).

(vi) Reconciliation of the breakdown of asset impairment losses with the tables of asset movements:

€ millions	For the six months ended 30 June 2016	For the six months ended 30 June 2015 restated
Goodwill impairment losses	**(1)**	(1)
Net impairment reversals/(losses) on intangible assets	**(7)**	4
Net impairment reversals/(losses) on property, plant and equipment	**(70)**	2
Net impairment reversals/(losses) on other assets	**(1)**	(6)
Total net impairment losses	**(80)**	**(2)**
of which presented under "Restructuring provisions and expenses" (*)	***(47)***	*2*
of which presented under "Net asset impairment losses"	***(24)***	*(11)*
of which presented under "Net income/(expenses) related to changes in scope of consolidation"	***(7)***	*-*
of which presented under "Gains and losses on disposal of non-current assets"	***(1)***	*7*

(*) Of which €31 million and €16 million relating to Franprix – Leader Price and Distribution Casino France (convenience stores) respectively as at 30 June 2016

Note 7 Income tax

The effective tax rate for the half-year ended 30 June 2016 was -4.3% versus 78.8% at 30 June 2015. The change arose primarily from non-recognition of deferred tax assets on tax loss carry-forwards in 2016 which was partly offset by the non-taxable remeasurment gain recognised in 2015 at the time of the acquisition of control of Disco. Tax proof can be analysed as follows:

€ millions	For the six months ended 30 June 2016		For the six months ended 30 June 2015 restated	
Profit (loss) before tax and share of profits of equity-accounted investees	**(437)**		**68**	
Theoretical income tax (expense) gain [(i)]	**151**	**-34.43%**	**(23)**	-34.43%
Reconciliation of theoretical and actual income tax (expense)/gain				
Impact of tax rate differences in foreign subsidiaries	**(5)**	**1.2%**	37	53.7%
Gains or losses on remeasurement of previously-held interests pursuant to transactions resulting in gain or loss of control and sale of shares	**1**	**-0.2%**	64	94.3%
Recognition of previously unrecognised tax benefits on tax losses and other deductible temporary differences	**-**	**-%**	6	8.7%
Non-recognition of deferred tax assets on tax loss carry-forwards or other deductible temporary differences[(iv)]	**(130)**	**29.7%**	(24)	-34.8%
CVAE net of income tax	**(21)**	**4.7%**	(20)	-29.3%
Non-deductible financial expenses[(ii)]	**(6)**	**1.3%**	(13)	-19.6%
Non-taxable CICE[(iii)]	**16**	**-3.6%**	16	23.2%
Additional contribution of 3% dividend	**(11)**	**2.4%**	(11)	-15.5%
Tax on income neutralised from disposals of real estate assets to Mercialys	**(1)**	**0.3%**	(6)	-9.3%
Deductible perpetual deeply subordinated bond coupons	**9**	**-2.1%**	21	31.2%
Other	**15**	**-3.5%**	7	10.4%
Actual income tax (expense) gain / Effective tax rate	**19**	**-4.3%**	**54**	**78.8%**

(i) The reconciliation of the effective tax rate of the Group was based on the constant tax rate of 34.43%. The rate used by the Group did not take into account the transitional additional contribution of 10.7% in 2015 for surtax on French companies with revenues of more than €250 million

(ii) Certain foreign legislation require a flat-rate ceiling on the deductibility of financial expenses paid by companies. For French companies, since the 2012 amended Finance Act, this restriction consists in reintegrating 25% of these financial charges into taxable income for the period. The corresponding tax expense was €6 million in the first half of 2016, compared with €13 million in the first half of 2015

(iii) France's third amended 2012 Finance Act introduced a competitiveness and employment tax credit (CICE). This is a tax credit (repayable from the end of the third year) of 6% (7.5% for Vindémia) based on salaries equal to or less than 2.5x the French minimum wage. In the first half of 2016, the Group recognised this CICE income of €46 million as a reduction of its employee expenses (€46 million for the first half of 2015)

(iv) Relating to the e-commerce segment (mainly Cnova Brazil) for an amount of €100 million

Recognised tax loss carry-forwards mainly concern GPA and Casino, Guichard-Perrachon (no significant change compared to 31 December 2015).

Note 8 Goodwill, intangible assets, property, plant and equipment and investment property

Acquisitions of intangible assets, property, plant and equipment and investment property totalled €611 million in the first six months of 2016, compared with €696 million for the same period in 2015.

The Group carried out a review of goodwill and other non-current assets as at 30 June 2016 to determine whether there was any evidence of impairment, as defined in the notes to the 2015 consolidated financial statements. An €77 million impairment charge on intangible assets and property, plant and equipment was recognised in the first half of 2016 (note 6.3), mainly in relation to the France Retail segment (€74 million). Concerning goodwill, the tests carried out on CGUs with impairment indicators concerned the France Retail (Distribution Casino France: hypermarkets, supermarkets and convenience stores), Casino Restauration, Latam Retail (GPA food) and E-commerce Brazil segments. No impairment losses were recognised for the period ended 30 June 2016. The reasonable change in key assumptions would not affect the conclusion of the tests.

Note 9 Financial structure and finance costs

9.1 Net cash and cash equivalents

Net cash and cash equivalents breaks down as follows:

€ millions	30 June 2016	31 December 2015
Cash equivalents	1,593	2,951
Cash	2,554	1,637
Cash and cash equivalents	**4,147**	**4,588**
Bank overdrafts	(62)	(183)
Net cash and cash equivalents	**4,085**	**4,405**

At 30 June 2016, cash and cash equivalents were not subject to any material restriction.

TRANSACTIONS IN RELATION TO THE MANAGEMENT OF TRADE PAYABLES/RECEIVABLES

The Group disposes of non-recourse receivables without continuing involvement, within the meaning of IFRS 7, and has recourse to reverse factoring.

9.2 Financial liabilities

9.2.1 Breakdown

€ millions	30 June 2016			31 December 2015		
	Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Bonds (i)	**6,419**	**699**	**7,118**	7,458	370	7,828
Other borrowings and financial liabilities	**1,538**	**2,119**	**3,657**	2,064	1,506	3,570
Trade payables - structured program (ii)	**-**	**120**	**120**	-	245	245
Finance leases	**86**	**22**	**109**	65	15	81
Fair value hedges - liabilities (iii)	**63**	**76**	**139**	7	4	11
Financial liabilities	**8,106**	**3,036**	**11,142**	**9,594**	**2,140**	**11,735**
Fair value hedges - assets (iv)	**(456)**	**(102)**	**(557)**	(418)	(258)	(675)
Other financial assets	**(18)**	**(63)**	**(81)**	-	(83)	(83)
Assets held for sale net of related liabilities, attributable to owners of the parent	**-**	**(14)**	**(14)**	-	(315)	(315)
Cash and cash equivalents	**-**	**(4,147)**	**(4,147)**	-	(4,588)	(4,588)
Cash and cash equivalents, other financial assets and net assets held for sale	**(473)**	**(4,326)**	**(4,799)**	**(418)**	**(5,244)**	**(5,662)**
NET FINANCIAL DEBT	**7,633**	**(1,290)**	**6,343**	**9,177**	**(3,104)**	**6,073**

(i) Of which €6,731 million and €387 million respectively in France and GPA at 30 June 2016.
(ii) Corresponds to trade payables - structured program (reverse factoring) of the Via Varejo entity (see note 11 of the consolidated financial statements in the 2015 Registration Document). During the first half of 2016, €255 million was paid to the factor and disclosed in the cash flows of financing activities in the statement of cash flows.
(iii) Of which €101 million, €27 million and €12 million in Latam Retail, E-commerce and France respectively at 30 June 2016.
(iv) Of which €476 million and €80 million respectively in France and GPA at 30 June 2016.

BREAKDOWN OF NET FINANCIAL DEBT

€ millions	30 June 2016				31 December 2015			
	Financial debt (iii)	Cash and cash equivalents	Net assets classified under IFRS 5 attributable to owners of the parent	Net financial debt	Financial debt (iii)	Cash and cash equivalents	Net assets classified under IFRS 5 attributable to owners of the parent	Net financial debt
France Retail	**6,906**	**(2,866)**	**(12)**	**4,027**	**7,787**	**(1,681)**	**(24)**	**6,081**
Latam Retail	**2,907**	**(643)**	**(2)**	**2,263**	**2,231**	**(1,236)**	**(2)**	**993**
of which GPA food	*1,537*	*(401)*	*-*	*1,136*	*1,091*	*(864)*	*-*	*227*
of which Exito (i)	*1,371*	*(242)*	*(1)*	*1,127*	*1,140*	*(372)*	*(2)*	*766*
Latam Electronics	**241**	**(463)**	**-**	**(222)**	**427**	**(1,294)**	**-**	**(867)**
Asia	**-**	**-**	**-**	**-**	**559**	**(188)**	**(225)**	**146**
of which Thailand	*-*	*-*	*-*	*-*	*306*	*(60)*	*-*	*246*
of which Vietnam (ii)	*-*	*-*	*-*	*-*	*253*	*(128)*	*(225)*	*(100)*
E-commerce (ii)	**450**	**(175)**	**-**	**275**	**39**	**(318)**	**(1)**	**(280)**
Total	**10,504**	**(4,147)**	**(14)**	**6,343**	**11,042**	**(4,718)**	**(252)**	**6,073**
Cash after intra-group elimination of Retail and E-commerce activities of Vietnam classified under IFRS 5 (ii)	-	-	-	-	(66)	129	(63)	-
Net financial debt	**10,504**	**(4,147)**	**(14)**	**6,343**	**10,976**	**(4,588)**	**(315)**	**6,073**

(i) Exito excluding GPA, including Argentina and Uruguay
(ii) Given the Big C Vietnam sales process (announced to the market on 15 December 2015), the Group decided to apply IFRS 5 to its Vietnamese businesses (including Cdiscount Vietnam) at 31 December 2015. The cash position of these two activities (€63 million at 31 December 2015) was reclassified under "assets held for sale" under IFRS 5
(iii) Corresponds to borrowings and financial liabilities net of fair value hedge derivative assets and other financial assets

9.2.2 Change in financial liabilities

€ millions	30 June 2016	31 December 2015
Financial liabilities at 1st January	*11,735*	*13,686*
Fair value hedges - assets	*(675)*	*(567)*
Financial liabilities at 1st January (including hedging instruments)	**11,059**	**13,119**
New borrowings (i)	1,042	3,201
Repayments of borrowings (ii)	(1,536)	(4,911)
Change in fair value of hedged debt	4	(45)
Effect of movements in exchange rates	408	(500)
Change in scope of consolidation (iii)	(564)	26
Financial liabilities associated with non-current assets held for sale	66	(66)
Others and reclassifications (iv)	104	236
Financial liabilities at end of period (including hedging instruments)	**10,585**	**11,059**
Financial liabilities at end of period	*11,142*	*11,735*
Fair value hedges - assets	*(557)*	*(675)*

(i) In the first half of 2016, new borrowings mainly include the following transactions: (a) net change in short-term commercial paper in the amount of €274 million; (b) use by Exito of credit lines in the amount of €144 million; (c) new loans taken out by Brazilian subsidiaries in the amount of €287 million, including €128 million for GPA and €159 million for Cnova Brazil, and €207 million for Big C Thailand; and (d) a GPA bond issue in the amount of €121 million

(ii) Repayments of borrowings in the first half of 2016 relate mainly to Casino, Guichard-Perrachon for €1,034 million (of which (a) a €645 million bond buyback (note 2), and (b) bond repayments for €386 million) and €428 million for GPA, of which €255 million of trade payables - structured program

(iii) Including a negative €502 million following the disposal of operations in Thailand and a negative €64 million relating to the disposal of operations in Vietnam (note 3.2.2)

(iv) Of which €104 million of trade payables - structured program at 30 June 2016 (€285 million at 31 December 2015)

9.3 Net financial income (expense)

In 2016, the Group reviewed the presentation of non-recourse factoring costs within net financial income (expense). These costs, which were included in "net finance costs", will now be included in "other financial income and expenses". The Group believes that this change will improve the quality of the financial information disclosed, as it is now possible to reconcile the figures "net finance costs" and "net financial debt" directly. Since this is a change in accounting method, the new presentation has been applied retrospectively, leading to a restatement of 2015 figures.

Accounting principles

Net finance costs

Net finance costs correspond to all income and expenses generated by cash and cash equivalents and by borrowings and financial liabilities during the period, including in particular gains and losses on disposals of cash equivalents, interest expenses on borrowings and financial liabilities, gains and losses on interest rate and currency hedges (including the ineffective portion) and effect of movements in exchange rates associated, as well as costs related to trade payables – structured program.

Other financial income and expenses

This item corresponds to financial income and expenses that are not included in net finance costs.

Are including in particular: dividends received from non-consolidated companies, costs related to sale of receivables, discounting adjustments (including to provisions for retirement), changes in fair value of equity derivatives and gains and losses on the disposal of financial assets other than cash and cash equivalents. This item also contains effect of movements in exchange rates, apart from those related to cash and cash equivalents and borrowings and financial liabilities which are presented under net finance costs, and excluding the effective portion of hedges for accounting purposes relating to operating transactions which are recognised as trading profit.

Financial discounts for prompt payments are recognised in financial income for the portion corresponding to the normal market interest rate and as a reduction from cost of goods sold for the supplement.

9.3.1 Net finance costs

€ millions	For the six months ended 30 June 2016	For the six months ended 30 June 2015 restated[i]
Gains (losses) on disposals of cash equivalents	**-**	-
Income from cash and cash equivalents	**68**	100
Income from cash and cash equivalents	**68**	**100**
Interest expense on borrowings after hedging[ii]	**(198)**	(187)
Interest expense on finance lease liabilities	**(5)**	(4)
Finance costs	**(204)**	**(191)**
Net finance costs	**(136)**	**(91)**

(i) Following the change in presentation of non-recourse factoring costs within net financial income (expense), the financial statements for the period ended 30 June 2015 have been restated. Consequently, the line "Interest expense on borrowings after hedging" at 30 June 2015 has been restated by €152 million.

(ii) In the first half of 2016, income of €13 million was recognised following the exercise of the call option on the mandatory convertible bonds (MCB) issued by Monoprix (note 2). Furthermore, as part of the bond buybacks detailed in note 2, a €38 million gain was recognised in the first half of 2016. During the first half of 2015, an amendment relating to bonds redeemable in Monoprix preferred shares revised the interest rate downward (6-month Euribor +4.1%) and €11 million in income was recorded.

9.3.2 Other financial income and expenses

€ millions	For the six months ended 30 June 2016	For the six months ended 30 June 2015 restated
Investment income	**-**	-
Foreign currency exchange gains (other than on borrowings)	**28**	31
Discounting and accretion adjustments	**1**	1
Gains on remeasurement to fair value of non-hedge derivative instruments[i]	**61**	3
Other financial income	**50**	78
Financial income	**140**	**112**
Foreign currency exchange losses (other than on borrowings)	**(29)**	(34)
Discounting and accretion adjustments	**(5)**	(8)
Losses on remeasurement to fair value of non-hedge derivative instruments[i]	**(7)**	(173)
Non-recourse factoring costs [ii]	**(138)**	(152)
Other financial expenses	**(47)**	(46)
Financial expenses	**(225)**	**(413)**
Total other financial income and expenses	**(85)**	**(301)**

(i) At 30 June 2016, a net gain of €54 million mainly results from the change in value of the GPA total return swaps (TRS) (€19 million), in the GPA forward (€16 million) and the Big C Thailand TRS which was settled during the period (€23 million). At 30 June 2015, the net expense of €170 million was primarily due to the negative changes in value of the Big C Thailand TRS (€17 million), GPA TRS (€74 million), and the GPA forward (€80 million).

(ii) Non-recourse factoring costs were previously disclosed under "Interest expense on borrowings after hedging" (note 9.3)

9.4 Fair value and financial instruments

The tables below compare the carrying amount and fair value of consolidated financial assets and liabilities, other than those for which the carrying amount corresponds to reasonable approximations of the fair values such as trade receivables, trade payables, cash and cash equivalents and bank overdrafts.

30 June 2016 € millions	**Carrying amount**	**Fair value**	**Fair value hierarchy Market price = Level 1**	**Models with observable inputs = Level 2**	**Models with unobservable inputs = Level 3**
Total assets	**614**	**614**	**-**	**570**	**43**
Available-for-sale financial assets (i)	36	36	-	-	36
Fair value hedges - assets (ii)	557	557	-	557	-
Other derivative instruments - assets	21	21	-	13	8
Total liabilities	**11,760**	**11,777**	**7,035**	**4,589**	**154**
Bonds (iii)	7,118	7,172	7,035	137	-
Other borrowings and finance leases (iv)	3,885	3,849	-	3,849	-
Fair value hedges - liabilities (ii)	139	139	-	139	-
Other derivative instruments - liabilities (ii)	464	464	-	464	-
Put options granted to owners of non-controlling interests (v)	154	154	-	-	154

31 December 2015 € millions	**Carrying amount**	**Fair value**	**Fair value hierarchy Market price = Level 1**	**Models with observable inputs = Level 2**	**Models with unobservable inputs = Level 3**
Total assets	**712**	**712**	**-**	**675**	**36**
Available-for-sale financial assets (i)	36	36	-	-	36
Fair value hedges - assets (ii)	648	648	-	648	-
Other derivative instruments - assets	27	27	-	27	-
Total liabilities	**12,405**	**12,100**	**7,542**	**4,407**	**151**
Bonds (iii)	7,828	7,542	7,542	-	-
Other borrowings and finance leases (iv)	3,896	3,877	-	3,877	-
Fair value hedges - liabilities (ii)	11	11	-	11	-
Other derivative instruments - liabilities (ii)	519	519	-	519	-
Put options granted to owners of non-controlling interests (v)	151	151	-	-	151

(i) The fair value of available-for-sale financial assets is generally measured using standard valuation techniques. If their fair value cannot be determined reliably, they are not included in this note.

(ii) Derivative financial instruments are valued (internally or externally) on the basis of the widely used valuation techniques for this type of instrument. Valuation models are based on observable market inputs (mainly the yield curve) and counterparty quality. Fair value hedge derivatives are almost fully backed by borrowings.

(iii) The fair value of bonds issued was based on the latest known quoted price on the reporting date.

(iv) The fair value of other borrowings has been measured on the basis of other valuation methods such as the discounted cash flow method and taking into account the Group's credit risk and interest rate conditions at the reporting date.

(v) The fair value of put options granted to owners of non-controlling interests is measured by applying the contract's calculation formulae and is discounted, if necessary; these formulae are considered to be representative of the fair value and notably use EBITDA multiples.

Note 10 Equity

10.1 Share capital

At 30 June 2016, share capital amounted to €172,121,460 compared with €173,192,460 at 31 December 2015. The share capital is composed of 112,497,686 ordinary shares issued and fully paid up at 30 June 2016 (113,197,686 ordinary shares at 31 December 2015). The change is mainly due to the cancellation of 700,000 shares, valued at €36 million, approved by the Board of Directors on 14 June 2016.

10.2 Non-controlling interests

CONDENSED FINANCIAL INFORMATION ON THE MAIN SUBSIDIARIES WITH SIGNIFICANT NON-CONTROLLING INTERESTS

The information presented in the table below is in accordance with IFRS, adjusted, where appropriate, by fair value remeasurements on the date of acquisition or loss of control and restatements to ensure the consistency of accounting policies with those of the Group. The amounts are shown before intragroup eliminations.

€ millions	GPA					
	Total GPA (i)		of which Via Varejo		of which Cnova	
	2016	2015	2016	2015	2016	2015
Country	*Brazil*		*Brazil*		*Netherlands*	
% of ownership interests held by non-controlling interests (ii)	*66.8%*	*58.7%*	*85.6%*	*82.1%*	*44.6%*	*41.9%*
% of voting rights held by non-controlling interests (ii)	*0.06%*	*0.06%*	*37.8%*	*37.8%*	*3.4%*	*3.4%*
For the first-half of the year						
Net sales	**8,337**	10,073	**2,182**	2,924	**1,404**	1,751
Net profit (loss) from continuing operations	**(257)**	73	**16**	88	**(245)**	(76)
Net profit (loss) from discontinued operations	**28**	(6)	**-**	-	**28**	(6)
Net profit (loss)	**(229)**	67	**16**	88	**(217)**	(82)
Attributable to non-controlling interests in continuing operations	***(115)***	*74*	**14**	72	**(110)**	(33)
Attributable to non-controlling interests in discontinued operations	***13***	*(2)*	**-**	-	**13**	*(2)*
Other comprehensive income (loss)	**1,319**	(574)	**358**	(182)	**53**	(46)
Total comprehensive income (loss) for the period	**1,090**	**(507)**	**374**	**(94)**	**(164)**	**(128)**
Attributable to non-controlling interests	***745***	*(341)*	***317***	*(78)*	***(71)***	*(54)*
30 June 2016 and 31 December 2015						
Current assets	**5,464**	5,612	**2,296**	2,438	**916**	1,160
Non-current assets	**10,726**	11,071	**2,596**	2,533	**647**	803
Current liabilities	**6,033**	5,522	**2,067**	2,203	**1,579**	1,482
Non-current liabilities	**2,625**	2,856	**684**	559	**12**	18
Net assets	**7,532**	**8,306**	**2,141**	**2,209**	**(27)**	**462**
Attributable to non-controlling interests	***5,113***	*5,338*	***1,767***	*1,811*	***9***	*204*
For the first-half of the year						
Net cash from/(used in) operating activities	**(1,367)**	(497)	**(519)**	(229)	**(334)**	(52)
Net cash from/(used in) investing activities	**(138)**	(284)	**(11)**	(50)	**(5)**	(43)
Net cash from/(used in) financing activities	**(248)**	(533)	**(418)**	(166)	**84**	(37)
Effect of movements in exchange rates on cash held	**243**	(185)	**118**	(79)	**37**	(29)
Change in cash and cash equivalents	**(1,510)**	**(1,499)**	**(831)**	**(524)**	**(218)**	**(161)**
Dividends paid to the Group (iii)	**-**	*(25)*	**-**	*(28)*	**-**	-
Dividends paid to owners of non-controlling interests over the period (iii)	***(1)***	*(76)*	**-**	*(36)*	**-**	-
Average % of ownership interests held by the Group in the first half of 2016	*32.9%*		*14.3%*		*55.2%*	
% of ownership interests held by the Group as at 30 June 2016	*33.2%*		*14.4%*		*55.4%*	

(i) Including Cnova and Via Varejo
(ii) The percentages of non-controlling interests set out in this table do not include the Group's own non-controlling interests in sub-groups.
(iii) GPA has dividend payout obligations (see note 12.8 in the 2015 Registration Document)

10.3 Distribution of dividends

At the Annual General Meeting of 13 May 2016, the shareholders approved the payment of a €3.12 cash dividend per ordinary share for the 2015 financial year. The amount recognised in reduction of equity was €350 million (€352 million as at 30 June 2015 for fiscal year 2014).

The coupon payable on perpetual deeply subordinated bonds is as follows:

€ millions	30 June 2016	30 June 2015
Coupon payable on perpetual deeply subordinated bonds (impact on equity)	**46**	**46**
Amount paid during the period	37	37
Amount payable	9	8
Impact on the statement of cash flows for the period	**42**	**42**
Of which coupons awarded and paid during the period	37	37
Of which coupons awarded in the previous year and paid during the period	6	6

Note 11 Provisions

11.1 Breakdown and changes

€ millions	1 January 2016 (i)	Additions for 2016	Reversals (used) 2016	Reversals (not used) 2016	Change in scope of consolidation	Effect of movements in exchange rates	Others	30 June 2016
Claims and litigation	561	160 (ii)	(25)	(39)	(1)	117	1	**774**
Other risk and charges	133	32	(23)	(22)	(1)	-	13	**131**
Restructuring	31	24	(15)	(2)	-	-	3	**43**
Total provisions	**725**	**216**	**(63)**	**(63)**	**(2)**	**117**	**17**	**948**
of which non-current	*538*	*23*	*(1)*	*(18)*	*-*	*116*	*111*	***770***
of which current	*187*	*194*	*(61)*	*(45)*	*(2)*	*1*	*(95)*	***178***

(i) A reclassification of €507 million was done in the opening balance from provisions for other risks and charges to provisions for claims and litigation

(ii) The €160 million charge mainly concerns GPA in relation with other tax-related disputes (in particular 184 million of Brazilian reals (€51 million) in respect of disputes relating to income tax, ICMS and PIS/COFINS taxes and penalties for which the risk have been reassessed from possible to probable) and employee disputes

Provisions for other risks and charges are composed of a multitude of sums related to legal disputes concerning employee-related matters (labour court), property (litigation on works, disputed rent, eviction of tenants, etc.), or tax or economic matters (counterfeiting, etc.).

More specifically, claims and litigation amounted €774 million and mainly include provisions relating to GPA (see table below).

€ millions	PIS/Cofins/CPMF disputes (*)	Other tax-related disputes	Employee disputes	Civil and other litigation	Total
30 June 2016	**74**	**366**	**205**	**77**	**723**
31 December 2015	24	294	136	57	**511**

(*) VAT and similar taxes

Within the scope of these claims and litigations, GPA is contesting the payment of certain taxes, contributions and payroll obligations. Pending the final rulings from the administrative courts, these various disputes gave rise to payments of deposits in court, reported in "Other non-current assets". In addition to these payments, are guarantees provided by GPA disclosed in off-balance sheet commitments.

€ millions	30 June 2016			31 December 2015		
	Deposits paid in court	Assets pledged as collateral	Bank guarantees	Deposits paid in court	Assets pledged as collateral	Bank guarantees
Tax-related disputes	**62**	**240**	**2,135**	49	198	1,745
Employee disputes	**234**	**2**	**7**	165	1	9
Civil and other litigation	**22**	**4**	**59**	16	2	72
Total	**317**	**245**	**2,200**	**229**	**202**	**1,826**

11.2 Contingent liabilities

Contingent liabilities essentially relate to the GPA group, and break down as follows:

€ millions	30 June 2016	31 December 2015
INSS (employer's social security contributions)	112	95
IRPJ - IRRF and CSLL (corporate income taxes)	276	477
PIS, COFINS and CPMF (VAT and similar taxes)	641	526
ISS, IPTU and ITBI (service tax, urban property tax and tax on property transactions)	81	84
ICMS (state VAT)	1,458	1,386
Civil litigation	240	192
Total	**2,809**	**2,760**

GPA uses the services of consulting firms in connection with tax disputes, whose fees are subject to the resolution of those disputes in GPA’s favour. As at 30 June 2016, the estimated amount totalled €19 million (€10 million at 31 December 2015).

Note 12 Related parties

Casino, Guichard-Perrachon is controlled by Rallye, which in turn is owned by Foncière Euris. As at 30 June 2016, the Rallye Group held 49.72% of the capital of Casino, Guichard-Perrachon and 61.95% of the voting rights.

The Company has relations with all of its subsidiaries in its day-to-day management of the Group. The Company and its subsidiaries receive strategic advice from Euris, the ultimate holding company, under strategic advice and assistance agreements. The Company also receives other recurring services from Euris and Foncière Euris (provision of staff and premises). The amount expensed over the period in relation to these agreements with Casino and its subsidiaries totalled €1.6 million of which €1.2 million under strategic advice and €0.4 million under providing staff and premises.
Furthermore, Casino Group has carried out property development transactions with Foncière Euris Group generating a positive contribution in EBITDA of €23 million in the first half of 2016.

The main transaction in the first half of the year between Casino Group consolidated companies and Rallye Group was the payment of a dividend for 2015 in an amount of €174 million.

In connection with the deployment of its dual model associating retail activities and commercial real estate, Casino and its subsidiaries are involved in a number of property development operations with Mercialys (see note 3.3.3).

Relations with other related parties, including remuneration of managers, remained comparable to those of financial year 2015, and there have been no unusual transactions, in terms of either nature or amount, during the period.

Note 13 Subsequent events

- **Payment of an interim dividend**

The Board of Directors has decided during the meeting held on July 28th 2016 to pay an interim dividend of €1.56 per share (50% of the annual dividend paid in respect of 2015, unchanged since the last three years) for the year of 2016. The ex-date for the interim dividend will take place on November 28th 2016 for a payment on November 30th 2016.

CASINO, GUICHARD-PERRACHON

Société Anonyme

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Statutory Auditors' Review Report on the 2016 Half-yearly Financial Information

Period from January 1, 2016 to June 30, 2016

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Statutory Auditors' Review Report on the 2016 Half-yearly Financial Information

Period from January 1, 2016 to June 30, 2016

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders' meeting and in accordance with the requirements of article L. 451-1-2 of the French Monetary and Financial Code (*"Code monétaire et financier"*), we hereby report to you on :

- the review of the accompanying condensed half-yearly consolidated financial statements of CASINO, GUICHARD-PERRACHON, for the period from January 1, 2016 to June 30, 2016 ;
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without qualifying our conclusion, we draw your attention to the matter set out in note 1.3 to the condensed half-yearly consolidated financial statements related to the restatement of the comparative financial information for the period ended June 30, 2015 mainly due to the change in presentation of expenses in connection with customer receivable factoring programmes without recourse and the effects of the presentation of discontinued operations.

II. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Lyon and Neuilly-sur-Seine, July 28, 2016

The Statutory Auditors

French original signed by

ERNST & YOUNG ET AUTRES **DELOITTE & ASSOCIÉS**

Yvon SALAÜN Sylvain LAURIA Frederic MOULIN Gérard BADIN